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**LOCALISATION OF LABOUR PARTY COMBINED HEAT AND
POWER/DISTRICT HEATING POLICY: 1977 - 87**

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SEPTEMBER 1990

**PHD. SUBMISSION
TECHNOLOGY FACULTY**

**THE OPEN UNIVERSITY
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ABSTRACT

This thesis examines the impact of local political units of the Labour Party on the development of national party policy for Combined Heat and Power/District Heating (CHP/DH) energy production technology over the period 1977-87. Three particular localities, Newcastle, Sheffield and London, were selected for study because they had an important role in advocating the local development of CHP/DH. But the local implementation of CHP/DH in these Labour controlled local authorities was severely constrained by the policies of the Conservative Government and the institutional constraints imposed by the Electricity Supply Industry. One response by these localities has been the localisation of national party policy for CHP/DH. This refers to a local role in the formulation of national party policies by using the local-national party interface to transmit local policies and demands to the centre. Localisation is a complex process, it varies over time, particular localities have different roles, a wide variety of structures linking the local-national party are utilised, different types of localisation are advocated by particular local groups and there are varying national party responses to the local demands.

It would be impossible to understand the development of national Labour Party policy for CHP/DH without an analysis of the role of particular Labour controlled local authorities in national policy formulation. The three cities examined in this study have provided an important axis of support for CHP/DH. They ensured that CHP/DH was placed on the national party policy agenda, provided local demonstrations of potential national policies, attempted to give policy a spatial dimension and develop a commitment to the municipal development of CHP/DH. But the national response to these demands was ambiguous. The national policy has reformulated and selected from the local demands and national party support for CHP/DH sits uncomfortably alongside other contradictory energy policies. However the local units of the party have ensured that CHP/DH was kept on the national party policy agenda, built up a body of support for CHP/DH and tried to ensure that the technology is incorporated into alternative strategies which could be implemented if a Labour government is elected.

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Of course the usual disclaimers apply.

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ABBREVIATIONS

AGR	Advanced Gas cooled Reactor
AMA	Association of Metropolitan Authorities
CGCC	Coal Gasification Combined Cycle
CHP	Combined Heat and Power
CHP/DH	Combined Heat and Power/District Heating
CHPA	Combined Heat and Power Association
DEED	Department of Employment and Economic Development
DEn	Department of Energy
DH	District Heating
DHA	District Heating Association
EEC	European Economic Community
ESI	Electricity Supply Industry
GLC	Greater London Council
HDHL	High Density Heat Load
HO	Heat Only boilers
IRR	Internal Rate of Return
JAC	Joint Advisory Committee for CHP
JVC	Joint Venture Company
LAA	Local Authority Associations
LEEN	London Energy and Employment Network
LIS	London Industrial Strategy
MW	Megawatt
MW(e)	Electrical power production
MW(th)	Thermal energy production
NCB	National Coal Board
NCHPLG	National CHP Liaison Group
PEITUC	Power Engineering Industry Trade Union Committee
PWR	Pressurised Water Reactor
RDF	Refuse Derived Fuel
TUSIU	Trade Union Studies Information Unit

INTRODUCTION

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INTRODUCTION

This thesis examines the role of local political units of the Labour Party in the development of national party policy. The main emphasis is the extent to which local demands, ideas and information stemming from local experience and needs can be transmitted through the local - national party interface, to influence the formulation, development and content of national party policy. The research focuses on a case study of a technology policy issue, Combined Heat and Power and District Heating (CHP/DH), linking the local and national party, and constructs an analysis of the role of local political units of the party in three localities, Newcastle, London and Sheffield, on the development of national party CHP/DH policy over the period 1977-87.

INTERESTS AND CHALLENGES

The research question developed from a recognition that the emergence of a new form of left-wing Labour local council in the late 1970s and early 1980s appeared to offer an opportunity for developing localised forms of technology policy within the Labour Party. In this period local government became a major focus of Labour Party political activity, as a means both of opposing the Conservative Government and of generating new ideas about the future direction of socialism. Local socialism represented a varied form of politics lacking an authoritative centre but becoming a set of ideas and associated practices "largely developed from the bottom up rather than the top down"¹. New issues were placed on the agenda of these local authorities and old issues were looked at in new ways.

In the early 1980s a limited number of these Labour local authorities began to develop policies with an important technological component. This included policies for infrastructural technologies such as light rapid transit systems, energy production and distribution and cable communication technology, but also included the more general role of technology in economic and employment policy². Local authorities took an interest in these technologies to promote locally based economic development in accordance with their social objectives and to maintain local control over the form and organisation of the technology's development. The formation by a number of Labour local authorities of the Centre for Local Economic Strategies (CLES) in 1986 provided an example of the new interest in the role of locally based economic strategies in this period. These initiatives were in policy fields in which local authorities had not been active since the late 1940s when responsibility for

¹ Gyford 1985 p ix

² Wield, 1986 p20 Provides examples of policies with a technological dimension raised by Labour local authorities.

these functions passed to central government and the nationalised industries³. Consequently in the 1980s it was not surprising that local authorities lacked the necessary resources, powers and legislation to implement their technology policies. They were also operating in a hostile political environment with increased Conservative Government controls over local authority spending, the abolition of the Greater London Council (GLC) and Metropolitan Counties.

With these constraints an increasing number of local authority leaders, officers and academics argued that local policies provided models of a decentralised socialism which could be built upon by the national Labour Party. For instance it was argued that local socialism had implications for "politics at all levels"⁴ by developing and exploring "what socialist initiatives and alternatives might look like in practice"⁵. Prominent local government leaders such as David Blunkett argued that it was important to see local initiatives "as relating to an alternative strategy at the national level"⁶, while Ken Livingstone stated that there was no separation between the Labour party and local government as "everything we are doing relates to both"⁷. Given the increasing constraints on local policies it appeared that a number of local authorities were adopting a strategy that sought to influence the formulation of national Labour Party policy. The aim was to ensure that local authorities were given the necessary powers and resources to implement their programmes and that national policies had a local dimension under a future Labour Government.

This approach appeared to have had some success. During the mid 1980s the national Labour Party, in a number of policy statements, seemed to accept that there was an important role for local authorities in the implementation of cable, arms conversion, energy production, economic and employment policies. The localisation of national policy was a complex process. In some cases national policy was to be given a local dimension but in others local authorities would be provided with the resources to implement policy. These policy areas were previously considered to be national policy issues and the trend towards localisation of policy indicated an important break with past thinking that was based around the need for a strong central state.

³ *Before the Labour Governments nationalisation programme in the late 1940s local authorities were responsible for a wide range of technologies including electricity production, communications and mass transit systems.*

⁴ *Gyford 1983 p17*

⁵ *Boddy & Fudge 1984 p19*

⁶ *Blunkett 1984 p251*

⁷ *Livingstone 1984 p 271*

ISSUES AND THEMES

But the apparent trend towards the localisation of national policy raises a number of important questions. To what extent has localisation of national party policy actually taken place? Why have particular localities developed local technology policy? What does the emergence of a local role in national party policy development mean? How have local authorities placed local issues on the national party agenda? What are the consequences for national policy? This thesis addresses these questions by closely linking them to three previously unrelated academic debates. These concern ideas about the structure of the Labour Party, the implications of the development of local socialism during the 1980s and the potential for new forms of locally based technology strategy.

Firstly, most analyses of the Labour Party argue that it is a highly centralised organisation with no clear strategy or role for local party political units. The transition to socialism is seen in terms of a strong national state pushing through reforms with local authorities "reduced to agents of central government"⁸ and the local party functioning "as an electoral agent for the national party"⁹. In this scenario there is little opportunity for the local party to transmit demands to the centre. Consequently it is not surprising that Stanyer argued in 1976 that "little is known about the articulation of interests through politicians inside or outside the parties in the central-local context"¹⁰. But with the recent development of local socialism it is intriguing that even in 1984 the impact of local party units on the national party was still being described as a "curiously neglected issue"¹¹ and "under-explored area"¹² of research. The main problem is that much of the research in Britain has concentrated at two separate levels of analysis, either local or national, with little inquiry about the linkages between the two levels. The first systematic attempt to examine the relationships between local and national parties was Gyford and James' seminal book "National Parties and Local Politics" published in 1983¹³. This is the only major piece of research on the issue. It is important in identifying the structures linking local-national levels of political parties and developing theoretical ideas about the role of local units in party organisation. However the book has an important limitation. It focuses on the extent to which the organisation of political parties conforms to what are termed the nationalisation or stratarchy model. But Gyford in an earlier piece of work published in 1980 acknowledges the theoretical existence of another type of relationship termed localisation in which local party units influence the development

⁸ Bassett 1982 p12

⁹ Parkinson 1971 p 440

¹⁰ Stanyer 1976 p 226

¹¹ Alexander 1984 p241

¹² Keating 1984 p318

¹³ Gyford & James 1983. See also Gyford 1980a & 1986.

of national party policy¹⁴. Consequently little is known about the extent to which localisation of national policy has taken place as Gyford's initial ideas about localisation were not built upon by the new interest in the implications of local socialism for the national Labour Party in the 1980s¹⁵.

Secondly, in the 1980s there has been considerable academic, political and press comment that local authority initiatives have had important implications for the national Labour Party by providing policies which have been built upon by the national party. But others have argued that this has not been the case in practice as the Labour Party leadership in 1984 according to Massey "tends to play down the potential of local authorities to illustrate alternative policies"¹⁶ and Wainwright argued in 1987 that the party had "failed to build on them nationally"¹⁷. According to Saunders local politics cannot provide a model for national Labour Party strategy as "the battle at local level is distinct from that at national level and the attempt to fight national issues through local government reflects a failure to understand this distinction"¹⁸. This position is based on a theoretical model in which local politics are based on consumption issues such as housing and social services having little relevance for national politics which are orientated around attempts to resolve production conflicts such as nationalisation and the management of the economy. However local authorities in the 1980s were active on wider economic and technological issues both in opposition to the Conservative Government and as a response to the economic recession which badly affected Labour controlled localities. Although there appears to have been potential for the localisation of national party policy in the 1980s there is clearly a debate about its significance. But this issue has not been investigated through any form of empirical research or linked to the debates about the structure of the Labour Party and the potential for any form of local impact on national party policy. There clearly needs to be an analysis of these issues.

Finally, there have been a number of analyses of the development of technology policy in the Labour Party at both national and local level. At the national level there were studies in the 1960s of Labour Party science and technology policies¹⁹, in the 1970s on the Lucas initiative²⁰ and in the 1980s on the role of nuclear power technology in energy policy²¹.

¹⁴ Gyford 1980a p30-32

¹⁵ After Gyford's 1980 research agenda none of the subsequent research, published in 1983 and 1986, makes any reference to the concept of localisation.

¹⁶ Massey et al 1984 p226

¹⁷ Wainwright 1987b p37

¹⁸ Saunders 1984 p45.

¹⁹ See Gummatt 1980 & Vig 1969

²⁰ Wainwright & Elliott 1982.

²¹ Elliott 1981, 1987 & 1988. A longitudinal study of the Labour movements move from a pro to an increasingly anti nuclear policy position.

While at the local level there has been analyses of Labour local authority technology policy employment and economic policy²² with a particular focus on the GLC's initiatives²³ and a review the role of the GLC's and Sheffield cable initiatives²⁴. The only attempt to examine a Labour Party technology policy issue at local and national level is Negrine's analysis of alternative strategies for Information Technology. But this does not explicitly attempt to assess the impact of the local initiatives on the national party strategy²⁵. Consequently there have been no attempts to link the debates about new forms of local technology policy with the development of national party strategy. Studies of national party policy formulation have accepted that policy is dominated by the national party and the new studies of local technology policy, which often explicitly recognise that local policy may have implications for national party policy, have not examined the linkages between the two levels.

SCOPE AND EMPHASIS

This research is important for three closely related reasons. Firstly, although there are a set of linkages between the local and national Labour Party there has been no assessment of the extent to which they have been utilised for transmitting local demands to the centre. Secondly, the renewed interest in local politics in the 1980s has created a debate concerning the extent to which local socialism has had an impact on the development of national Labour Party strategy. Finally, there has been no attempt to examine the relationship between local and national technology policy formulation in the Labour Party. Consequently the research is important in assessing the extent to which the new local technology policies have led to the localisation of national party policy by linking together previously unrelated theoretical debates. It tackles questions not previously attempted and it could have important implications for how we look at the role of the local units of the Labour Party in the formulation of national party policy.

The research examines these issues through a case study of a technology policy issue linking the local and national Labour Party. A number of different types of local technology policies and initiatives have been developed at local level. The implementation of these policies required the support of central government which was not forthcoming from a hostile Conservative government and there was evidence to indicate that certain localities

²² Marvin 1987

²³ Elliott 1986, Mole & Elliott 1988 & Wield 1986.

²⁴ Hughes & McCartney 1983 p8-9

²⁵ Negrine 1987, Negrine focuses on cable technology as an example of a new information technology. The primary aim is to explore the extent to which a future Labour government can formulate and implement a coherent alternative strategies including an assessment of the contribution of the cable policy formulated by the GLC and Sheffield City Council.

had attempted to influence the development of national Labour Party policy over these issues. One technology policy was selected to explore the relations between local and national party and the process of localisation. Technology policy selection and the identification of localities raising the issue went hand in hand. A series of criteria was developed for the selection of a specific technology policy. The criteria were: (i) that the issue had been raised by Labour local authorities; (ii) the issue was of interest and concern to national party policy; (iii) there was some evidence of a linkage between the two levels of the party over the issue; and (iv) this interaction had the potential for the localisation of national party policy. A number of technology policy issues fulfilling these criteria were identified at the extensive stage of the research from information obtained through documentary research and literature sources.

Combined Heat and Power/District Heating (CHP/DH) energy production technology was selected as the focus of the case study. The detailed rationale and explanation of the selection of this technology and the three particular localities promoting CHP/DH are discussed in Chapter 4. At this stage it is useful to summarise the four main reasons for its selection. First, CHP/DH is a relatively well-bounded technology policy issue. Second, three particular localities, Sheffield, Newcastle and London, have been very active in promoting the development of CHP/DH. Third the Labour Party has since 1983 adopted a number of policies supporting CHP/DH schemes. Finally, there is some evidence that the three localities have had a role in the localisation of Labour Party policy. CHP/DH was not selected because it was considered generalisable or typical of technology policy issues linking local and national party. It was selected as an issue through which to explore and examine why particular localities were interested in the CHP/DH, why an interface had been developed with the national party and what were the consequences for national party policy for CHP/DH.

LAYOUT AND ORGANISATION

The thesis is divided into nine chapters with an Introduction and Conclusion. The Introduction has set the wider scene and context for the research and identified the debates which are addressed. Chapter 1 examines competing theories about the role of local party units in the Labour Party, identifies the linkages between local and national party and constructs a theoretical and empirical model of the disassociated relations that have existed between the two levels of the party in the period from the 1930s to early 1970s. Chapter 2 analyses the reasons for the new interest in the potential of local socialism that developed in the late 1970s and early 1980s and the opportunities this created for new forms of

relationship between local and national party. Disassociation was replaced by engagement opening up potential for the localisation of national policies. Chapter 3 constructs a typology of different forms of localisation and outlines the research design and methodology adopted in the research. Chapter 4 examines CHP/DH in more detail, identifies the main local authority proponents of CHP and constructs a framework for the case study chapters.

The first three case study chapters (chapters 5 to 7) examine the interest of each locality in the development of CHP/DH, the reasons why linkages were developed with the national party over the issue and the types of localisation being proposed by each locality. Chapter 8 examines joint local authority initiatives which created new forms of agency to influence the development of national policy. Chapter 9 examines the impact of the locally developed linkages on the development of national party CHP/DH policy. It addresses a range of issues including the role of particular localities, the local-national structures utilised for interaction and the extent to which national policy has been localised.

The conclusion draws together the theoretical and empirical analysis developed in the previous chapters and examines the wider theoretical implications of the research and identifies areas for further research.

CHAPTER 1 LOCAL POLITICS AND THE LABOUR PARTY

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Local-National Labour Party Interface	12
Stratarchy and Party Structure	18
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INTRODUCTION

An understanding of the new role of the local Labour Party in the development of national Labour Party policy in the late 1970s and 1980s requires an analysis of the relations between local and national party and the role of local party units in national strategy. This review covers the period from the early 1930s to mid 1970s. There is no adequate history of Labour's involvement in local politics and its relations with national Labour Party politics¹. The literature on central-local relations has tended to concentrate on the legal, governmental, financial and administrative, rather than the party political aspects. Consequently "little is known about the articulation of interests through politicians inside or outside the parties in the central-local context"² and even in the early 1980s relations between local and national political parties remained a "curiously neglected issue"³ and "underexplored area"⁴. Research has concentrated at either the local or national level of party structure with the result that basic information about the relations between the two levels and the intermediate branch of the party organisation, the regional and area structures, is lacking⁵. This chapter attempts to remedy this situation and explore the linkages between the local and national party and the role of the local party in national party structure.

The argument is developed in five sections. First, a review of the nationalisation model of Labour Party structure. A common theme in the literature on the structure of the Labour Party has been an increasing concern that the national party dominates and subordinates local politics to the needs, demands and requirements of the national party. This is based on the assumption that the structure of the Labour Party is unified and that the national party imposes central control from the top down. Second, an examination of the structures linking local and national party shows that the centre is not able simply to exert or impose national control over the local party. The national party does not have the resources to direct local authorities and local parties towards particular policy decisions. Third, the party structure is more accurately conceptualised as a stratarchy based on differing and shifting foci of power within and between the local and national party. But this does not necessary lead to the rejection of the nationalisation thesis. The nationalisation of local politics was not based on

¹ *Histories of local government reform and case studies of individual Labour local authorities provide only intermittent reference to the changing role of local in the party and linkages with the national party. See Bassett 1984 p83.*

² *Stanyer 1976 p226*

³ *Alexander 1984 p241*

⁴ *Keating 1984 p318*

⁵ *See Wilson 1972 p373 & Kavanagh 1977 p195 who asked "how much contact is there between the two points?".*

the pattern of power within the party structure; instead for structural and ideological reasons, the Labour Party has accepted that national politics should dominate local politics. This assumption is linked to the wider development of the British political system which has been characterised by a dual polity taking the form of two essentially separate levels of political activity at local and national level. The Labour Party at local and national level has accommodated to, and reinforced, this view of politics. Fourth, in this structure, disassociated relations exist between local and national politics with each level left to pursue its own areas of responsibility. The interface linking the local and national party is relatively weak but it has been utilised by the centre and localities for the transmission of information and advice on the operation of local government policies without fundamentally challenging the nature of the dual polity. There is little evidence of local politics making demands on the centre. Between the early 1930s and mid 1970s the relationship between the local and national Labour Party is characterised by disassociated relations. The local party has had little impetus or desire to impact on national party strategy giving rise to the appearance of nationalisation of local politics. Finally, the chapter concludes by outlining the role of local politics in the Labour Party.

NATIONALISATION OF LOCAL POLITICS

The nationalisation model of party structure refers to the increasing domination over local politics by national parties⁶. Johnson describes this as a process in which local political arenas are increasingly subordinated into a single national arena "its agents are the great national parties and its results are the gradual ironing out of autonomous local characteristics, style and behaviour"⁷. Pearce goes further and argues that nationalisation leads to the "the merging of central and local political activity, both in machinery and policy"⁸. This distinction between machinery and policies is a useful one. Local branches of national parties have two important political functions, electing an MP and controlling local government. There is concern that both levels are increasingly dominated by the national party.

First, most studies of the Labour Party assume that the party is a very centralised organisation with a powerful leadership and relatively weak local party units⁹. This view suggests that the party operates as a unified organisation with 'top-down' control to subordinate local politicians. Although Grant accepts that "local branches of the major

⁶ See Britstow 1978, MacColl 1949 p70 & Schofield 1977

⁷ Johnson 1972 p53

⁸ Pearce 1980 p10

⁹ See McKenzie 1955 p950 & Wilson 1975 p4

parties do enjoy considerable autonomy in their local operation" they are "under the ultimate control of the national party"¹⁰. This has led many to see the work of local party organisations in a purely national perspective in which local party organisations are merely parliamentary election machines and their members are assumed to be devoted primarily to the national party's goals, its organisation and its leadership¹¹. For instance Ranney argues that local party units were "established for an essentially national purpose, to elect a Member of Parliament. Everything else it does is subordinate to that purpose"¹² and McKenzie describes their principal function which "is to sustain teams of parliamentary leaders"¹³. The local party organisation is primarily "concerned with the fighting of elections and with problems of membership, finance and general propaganda" and it is not surprising that "national policy seems to play but a small part" in local party discussions¹⁴.

Secondly, the Labour Party has found it difficult to develop a clear role for local government. Although the Labour Party was established at the turn of the century to contest national elections its organisational activities were rapidly expanded at local level. For the newly formed Labour organisations "local politics provided a good opportunity for gaining practical experience of government at a time when national power seemed a long way away"¹⁵. But in practice Labour governments did not give priority to local government reform. Labour's view on local government evolved out of a number of diverse traditions, in particular the Fabians and Guild Socialists, which led to the development in the 1920s of a more distinct Labour ideology¹⁶. With the development of Labour as a major parliamentary party the focus began to shift to a parliamentary strategy. The orthodoxy that emerged represented a diluted form of the Fabian model and stressed efficiency rather than the participatory aspects of local government. Although there were shifts in Labour's perspective in the interwar period this "mainly involved a growing emphasis on the role of the strong central state in reform relative to the local state rather than a reconsideration of basic ideas. In effect the municipal dimension of socialist advance declined in favour of reform from the centre"¹⁷. Local government was seen as the "transmission belt" for parliamentary legislation from Westminster. By implication local authorities could be superseded by other bodies set up to undertake specific tasks such as ad hoc bodies and public corporations. While local government had provided examples of the way forward "the party turned largely to nationalisation, not local control, and to national rather than local administration as it set

¹⁰ Grant 1971 p202

¹¹ Parkinson 1971 p440

¹² Ranney 1965 p281

¹³ McKenzie 1955 p647

¹⁴ Donnison & Plowman 1954 p160

¹⁵ Gyford 1976 p61

¹⁶ See Sancton 1976 for a thorough review of these two movements view of local and regional government.

¹⁷ Boddy 1981 p44

out to build some advance positions for democracy in a capitalist state"¹⁸. By 1947 local authorities had lost their powers for hospitals (1946), electricity (1947) and gas (1948). Although local government gained some functions the overall effect was increased centralisation and the reduction of local autonomy to the administrative needs of particular national services.

"The Labour Party's national objectives did not then mesh with local politics, and were in fundamental conflict with ideals of increased local autonomy. National decisions increased centralisation and simply by-passed local government. Reform has most often meant putting more powers in the hands of national government.. The 1945 Labour government had little time for local problems"¹⁹.

If the nationalisation theory is accepted then it is possible to see nationalisation as a dual process. Firstly, national party penetration and control of the local parliamentary arena, constituency electioneering and representation. Secondly, national domination and control of municipal elections, representation and local policy formulation. This gives rise to the perception that local politics is in danger of being dominated by the national party.

LOCAL - NATIONAL LABOUR PARTY INTERFACE

The nationalisation theory of national party intervention in local politics assumes that it is essentially a one way process with the local being subordinated to, and integrated with, the national party. This presupposes that the Labour Party operates as a unified organisation with the implication that unity is achieved from the top down rather than the bottom up. This assumes that the Labour Party structure can be controlled from the centre with the activities of local politics being deliberately subordinated to the requirements of the national party²⁰. An evaluation of the degree of national control over the local party units requires an assessment of the extent to which the interface between the two levels of the party can be utilised for national domination. The analysis is divided into a discussion of the relations between the local party, local government and national party.

Local - National Labour Party

The nationalisation theory assumes that the local party exists simply to fight elections under the control of the national party. But this view ignores other important roles, sending resolutions to the party's Annual Conference, the selection of MPs and involvement in the party's regional structure. Firstly, policy initiatives in the Labour Party may be generated by affiliated trade unions, constituency parties and the National Executive Committee (NEC).

¹⁸ Blunkett & Jackson 1987 p64

¹⁹ Ashford 1982 p89-115

²⁰ Gyford & James 1983 p51

These resolutions are submitted to conference where policy is determined and the contents of the general election manifesto are decided jointly by the NEC and the Parliamentary Labour Party (PLP) by selection from the party programme. As Turner argues resolutions from Constituency Labour Parties (CLP) to the Annual Conference can provide "an important mechanism for articulating the ideas and attitudes of the people in the locality" to the national party²¹. The politics of this local process is very varied, resolutions and amendments can be submitted from ward parties and locally affiliated trade unions by the Constituency Party for submission to the Annual Conference. Although CLPs have been subject to organised attempts to instigate resolutions this activity was "always carried on by groups independent of the official institutions of the party"²². But once the resolution has been submitted for consideration by conference it is dependent on support from the trade unions and the CLPs have been "one of the weakest sections"²³.

Secondly, the most significant relatively autonomous power held by CLPs is the selection and reselection of MPs. Before 1974 the national party had a high degree of control over the process as the NEC maintained an approved list of candidates and approved the final selection. Since 1974 the NEC will only interfere in selection or reselection when the rules are broken. In 1979 conference approved reselection of MPs. It is difficult to assess what effect this will have on CLP-MP relations. Ball argues that it might make the MP "more sensitive to local party opinion"²⁴. But it remains to be seen if it will challenge the traditional relationship between local party and MP. MPs are encouraged to keep a distance from the local party and local authority debates to "free his (sic) mind for parliamentary duties and the tradition of their political independence from those who nominated them for the House thus maintained"²⁵. However even if the local party holds strong opinions on policy issues their ability to influence the behaviour of MPs is to a large extent circumscribed. Nevertheless there are a number of instances where the local party has used reselection procedures to bring MPs to account²⁶.

Thirdly, the Labour Party has 11 regional offices with regional organisers who are employed and selected by the national party to relate national policies to local needs. The regions mainly satisfy the needs of the party headquarters rather than to ensure closer political links between the constituency and the national party²⁷. Their main role is to integrate

²¹ Turner 1978 p55

²² Minkin 1978 p41

²³ Ball 1981 p237

²⁴ Ball 1981 p241

²⁵ Barker & Rush 1970 p208

²⁶ Turner 1978 p68, 70 -82 for examples of these incidents.

²⁷ Blondel 1969 p112

"constituency parties within national party structure"²⁸ and "all important organisational initiatives are taken by the respective party leaderships or the leading bureaucrats"²⁹. But this does not indicate that the party is highly centralised as there is no evidence to indicate that the "chain of command extends beyond the regional and area organisers to the constituency parties"³⁰. Regional councils attempt to integrate and coordinate all the affiliated bodies at a regional level mainly in an administrative and organisational role³¹. Regional councils meet annually and are composed of representatives from local parties, trade unions and other political bodies in the region. Each affiliated organisation is entitled to submit a policy resolution to the council, but rules state that they must confine their discussion to local and regional issues and avoid national policy questions. Although resolutions can be sent to the PLP and NEC as expressions of local attitudes and policies the national party has positively resisted pressure to enlarge the councils' policy-making role. In these three areas of linkage, conference resolution submission, selection MPs and involvement in regional party structure the national party cannot simply dominate the behaviour of local party units. The potential actually exists for local party units to use these linkages to transmit demands to the national party.

Local Government - Labour Party

There are a number of structures linking local government and the national party. Firstly, there were a number of attempts by the national party to establish a committee to consider the issues relating to the party's involvement in local government. In 1955 the Local Government Committee of the NEC was established and renamed the Regional and Local Government Sub-Committee in 1970. The sub-committee advises the NEC on the development of policy, guides and advises Labour groups, considers resolutions submitted by District and County parties and arranges the Local Government Conference and meetings of Labour groups on local authority associations. Since 1970 the committee is able to make recommendations on policy matters and can exercise some initiative and influence in party policy making. The main issues discussed by the committee are local government structure and local government policy. It was not until 1973 that membership of the committee was widened to include more representatives from the regions, local authority associations and outside experts. Secondly, the Local Government Conference which started in 1956, is composed of delegates from Labour groups and local party organisations, and has been described as a combination of a political rally and a forum for policy

²⁸ Turner 1978 p46

²⁹ Wilson 1972 p375

³⁰ Wilson 1972 p381

³¹ Wilson 1973 p170

discussion³². But despite its delegate structure and the consideration of major policy issues "the conference has no powers of decision, and cannot for example make recommendations to the party's full annual conference"³³. In both 1963 and 1981 the Regional and Local Government Sub-Committee attempted to strengthen the Local Government Conference's role as a decision-making body but this proposal was rejected by the NEC "because it would be treading on the ground of the national conference"³⁴. Consequently the Local Government Conference's role in developing policy appears to be limited although the working groups and informal discussion between councillors, NEC and MPs can help to sound out opinion and contribute towards the development of policy. Thirdly, structures for dealing with local government at the party headquarters developed slowly and hesitantly. In the 1920s and 1930s the party relied on the Fabian society to provide support for the party in local government but there was no attempt to develop "a common national policy on local government problems or to keep the Labour representatives on different bodies in touch with one another's work"³⁵. In 1936 the Local Government section of the Research Department was eventually created being transferred to the Agent's office in 1975. The section has a small number of staff who servicing the Regional Local Government Sub-Committee and Labour Groups on Local Authority Associations (LAAs) and produce draft policy statements and information papers with the research department. The section has no official political role but because it often prepares initial policy papers this creates an "opportunity for independent action"³⁶. The emphasis in these relations between local party and party headquarters was on "informing and assisting councillors rather than on controlling their activities"³⁷.

Local Government and Parliament

Local government finance, structures and functions have emerged as a topic of national political concern in Parliament. However, it is not clear how well equipped the PLP is to discuss the affairs of local government and how far parliament and the party maintain links with local government. Firstly, the Local Authority Associations appoint parliamentary Vice-Presidents. For instance in 1981 the Association of Metropolitan Authorities (AMA) had 37 in the Commons and 12 in the Lords. Briefing papers and technical information are sent to the Vice-Presidents in the hope of seeing the Association's views put forward in debates

³² *There are frontbench speeches, plenary discussion, working groups on specific topics and ginger group meetings.*

³³ *Gyford & James 1983 p60*

³⁴ *Allaun Interview in Gyford & James 1983 p60*

³⁵ *Cole 1948 p454*

³⁶ *Minkin 1978 p303*

³⁷ *Gyford 1976 p16*

and legislation. In return the MPs gain access to valuable briefing material on local government issues.

Secondly, there are four types of backbench committee in the Commons. First, party backbench Committees which "seek to inform members of a subject and allow them to formulate views on it through private discussion"³⁸. Regional groups are less active than subject groups meeting much more infrequently. The Northern group is amongst the most important because of the importance of the North for the Labour Party. It is "a fairly cohesive body and meets when necessary in the regions; within the house it seeks to act as something of a regional pressure group"³⁹. However "in terms of influence within the Labour party nationally, the groups are extremely limited" as they have no policy-making role⁴⁰. Second, Standing Committees on Bills scrutinise the production of legislation and discuss or introduce amendments. Membership is decided by party whips and the opposition will usually appoint members with detailed knowledge of the subject. These provide an opportunity for introducing amendments on behalf of affiliated groups and local authorities who circulate briefs and draft amendments to MPs on the committees⁴¹. Third, Select Committees were established in 1979 to scrutinise the roles of part of the work of central government departments. If invited, local authorities can provide evidence on the implications of government policy on local authorities. Finally, all party liaison groups provide useful non-party foci for Mps interested in particular subjects and are apparently highly valued by pressure groups. But these Committees have no official role in the working of parliament or political parties..

Thirdly, MPs with a local government background may develop a specialist interest in local government in Parliament. The Labour Party have the most MPs with local government experience compared to any other major party. Between 1945-70 50% of Labour MPs had experience in local government prior to entering Parliament. As Mellors argues the party has "remained very much the party of urban government"⁴². Local government experience is often seen as part of a prospective MPs training. There has been little discussion of the implications of this experience for the representation of local government interests in parliament. Past local government service does not necessarily mean that an "MP is imbued with full understanding and the sympathy for the problems of local government"⁴³

³⁸ Norton 1983 p18

³⁹ Norton 1983 p24

⁴⁰ Norton 1983 p27

⁴¹ Issac-Henry 1980 p47

⁴² Mellors 1974 p228

⁴³ Butler 1953 p47

and local interests are often "apt to be disregarded in practice"⁴⁴. Consequently while the figures demonstrate the importance of local government as a recruiting ground for MPs they do not reflect the influence of local authorities in parliament⁴⁵. Informal contacts may take place between MPs and the local party but there have been no in-depth studies of this interaction so the extent of contact is difficult to assess⁴⁶. However it has been argued that local authorities "maintain close contact with their members. The member often asks the Council for guidance on local opinion, and the council seeks his (sic) support in matters of local interest - in supporting or opposing Bills, or in discussion with ministers"⁴⁷. But in general there is a low degree of coordination and integration⁴⁸. Local elections tend to isolate elected representatives at each level of government as national constituency boundaries do not generally conform to local government boundaries and this "makes it difficult, even if local leaders wished to do so, to bring local problems to bear more directly on Mps"⁴⁹. Consequently attention is focused on constituencies rather than councils. Although MPs may be sensitive to requests from councils "their political survival and their commitments do not lead them into local matters"⁵⁰.

It would be "inaccurate to describe the links between Parliament and local government as the product of some concerted strategy by local government or the political parties"⁵¹. The standing and select committees have a clear parliamentary function and backbench committees exist to meet the needs of MPs. The various links between local authorities and MPs are based on experience in local government and demands by constituents or local authorities and they arise from the MPs role as an individual representative rather than their role as party politicians.

Local Authority Associations and the Labour Party

Local Authority Associations (LAAs) were created to protect and promote the interests of the particular type of local authorities they represent. The associations "seek to develop and expand communal services at the local level. They aggregate and articulate demands for extra resources for services"⁵². Until the 1960s the associations were dominated by officials

⁴⁴ McKenzie 1954 p423, who also argues that "there has hardly been a squeak of protest from the Commons .. on the numerous occasions since 1945 when issues of national policy have led to a reduction in local powers" 1951 p335

⁴⁵ Keith-Lucas 1955 p207

⁴⁶ Keith-Lucas 1955 "Very little of it is referred to in councils minutes or agenda." p210

⁴⁷ Keith-Lucas 1955 p210

⁴⁸ Cohen 1973

⁴⁹ Ashford 1982 p139

⁵⁰ Ashford 1982 p167

⁵¹ Gyford & James 1983 p106

⁵² Issac-Henry 1980 p47

of the association and the constituent local authorities⁵³. But in the 1960s the national Labour Party realised that the associations could be used as a platform for projecting party policy and developed communications vertically between the Labour groups and the NEC and PLP. The need for better communication was reinforced by the "rather deferential attitude exhibited at that time by Labour Councillors towards their ministerial comrades"⁵⁴. By the late 1960s Labour used the associations as a "channel of interparty communication and consultation, both 'horizontally' amongst the various individual Labour groups and 'vertically' between Labour groups and ministers and the NEC"⁵⁵. In party groups dispersed councillors can meet and discuss common problems, share solutions and form lobbies to persuade other groups to provide solutions. They provide "a venue for national and local political leaderships... to meet, enabling each to complain to, to explain to, or to seek support from, the other, as seems necessary"⁵⁶. The "Association of County Councils and the Association of Metropolitan Authorities represent an important channel of communication between national and local politicians"⁵⁷. The party leaders in the associations have become closely integrated into party structures of policy-making and advisory committees. LAA party leaders have increasingly been seen as spokespersons for the local government wing of the party and are consequently "involved in a variety of informal consultations with their own party's national leaders"⁵⁸. This is a particularly important mechanism for avoiding conflict and problems when the party is in power. It is generally considered to be more important and useful for central than local government as the associations have become an intermediary between local and national party rather than transmitting local demands to the centre. In particular "the party leaders on the associations are considerably more vulnerable to such nationalisation pressure than their counterparts in the localities"⁵⁹. Although the association groups had originally been the creations of the party's headquarters, by the late 1970s they could no longer be dominated by the national party "for they contained politicians with interests and goals of their own"⁶⁰.

⁵³ Issac-Henry 1977

⁵⁴ Gyford & James 1983 p109

⁵⁵ Gyford & James 1983 p110

⁵⁶ Gyford & James 1983 p120

⁵⁷ Issac-Henry 1980 p50

⁵⁸ Gyford & James 1983 p121

⁵⁹ Rhodes 1983 p20 LAA had increasing difficulties in representing local authorities interests in the 1980s. The result was Labour challenges to the Conservative associations and development of new national associations. See chapter 2

⁶⁰ Gyford & James 1983 p124-125

STRATARCHY AND PARTY STRUCTURE

The analysis of the structure of the Labour Party and the relations between local and national party indicates that central control over local politics is not a feasible proposition. Constitutionally the party does not possess any mechanisms for forcing the local party to comply with party policy at the centre. Local councillors are accountable to the local party but not to a higher level as the issue of central control over local policy was settled in the 1930s when the NEC accepted that the "policy of a Labour Group on a local authority is local in character and has to be decided upon local circumstances"⁶¹. The national party is not able to control the actions of Labour councillors according to some national party line as long as their policies are made according to the correct procedures laid down in the party rules. There has been a higher degree of constitutional control over CLPs in terms of candidate selection but the changes in the 1970s have increased local party autonomy. The national party cannot control the nature of local CLP resolutions submitted to conference and there is no evidence that the national party attempted to mobilise resolutions in support of party policy⁶². Financial resources are not important in the relations between the two levels of the party. Nationally very few resources are allocated for work on local government and the party raises finance for elections locally. In terms of informational resources "the parties at Westminster and headquarters are highly dependent on local politicians" to keep them informed about what is going on in localities and local government⁶³. Hierarchical authority is based on the occupation of recognised positions of party political leadership and a sense of moral obligation acknowledged by those lower in the party hierarchy. The Labour Party does not necessarily readily acknowledge chains of leadership and the existence of the NEC provides alternative sources of leadership to the PLP. Consequently calls for local politicians to rally around and support the national leadership are likely to be received with more questioning about whom the leadership represents and what policies they stand for. Thus demands for solidarity and unity must be based on mutual commitment amongst equals and grounded in acceptable party policy. Certain elements in the relationship between local and national party are overtly political such as the mobilisation of values, conflicts over what ought to be the prime aim of the party, competing claims of political legitimacy, negotiating skills and foci of solidarity. Their distribution is highly variable and relative to the issues and time, dependent on perceptions of the participants. These are not always distributed cumulatively in the favour of the centre.

⁶¹ *Labour Party NEC Minutes, October 1932, quoted in Gyford 1976 p18*

⁶² *Minkin 1978 p41*

⁶³ *Gyford & James 1983 p98*

It would clearly be wrong to suggest that the party structure enables the party's national politicians to "easily dominate the local politicians"⁶⁴. The nationalisation thesis overestimates the amount of power central party organisations can reasonably exert over local party units. There is no simple central domination of local politics but also little evidence of a local input into national party policy-making. Instead Rose suggested that the Labour Party cannot be "controlled from any single central position, for each is a complex set of plural institutions. Fragmentation, not mechanical integration, is the chief feature of party organisations"⁶⁵. Pimlott argued that the national party was not able to impose its view on local parties instead there was a number of competing "sources of power or pressure - conference, NEC, PLP, shadow cabinet, CLPs, municipal Labour groups, trade unions - with members, interests and ideals that sometimes overlap but may also conflict"⁶⁶. British parties should be seen not as centralised bodies but as stratarchies. As Eldersveld stated

"The very heterogeneity of membership, and the subcoalition system, make centralised control not only difficult but unwise. In the process of adapting, then, the party develops its own hierarchical pattern of stratified devolution of responsibility for the settlement of conflicts, rather than jeopardise the viability of the total organisation by carrying such conflicts to the top command levels of the party. Further, the party must cope with widely varying local milieus of opinion, tradition and social structure, and this encourages the recognition and acceptance of local leadership, local power. Exploratory research suggests the real probability that there is a stratarchical element in such systems, despite the common custom of referring to them in such simple terms as "centralised, monolithic or unitary"⁶⁷.

The distribution of resources within the Labour Party does not allow the national or local party to dominate, control or instruct the party at the other level. It might be expected that the relations between national and local politics conform with the notion of stratarchy rather than the unitary model. This conflicts with the idea that local politics have been nationalised which appeared to reflect the reality of local politics after the 1930s. But the nationalisation of local politics cannot be satisfactorily explained by the party structure and the resources available to the centre whose deployment is identified as the main agent of a nationalised local politics. It seems more likely that the structural constraints on local politics is a reflection rather than the cause of the Labour Party's tendency to neglect local politics. This is not to deny that party structure has important consequences for the handling of local government since the national party has resisted attempts to allow more local access to national policy-making. If the Labour Party was able to operate as a stratarchy rather than a unitary model the coordination between local and national politics would presumably be secured by other means. It is possible to suggest an explanation for the nationalisation of

⁶⁴ Gyford & James 1983 p99

⁶⁵ Rose 1980 p254

⁶⁶ Pimlott 1984 p205

⁶⁷ Eldersveld 1964 p9

local politics which does not simply rely on the pattern of resources in a supposedly unitary party. This lies in both the party's role in the development of a dual polity in the British political system and broader ideological shifts within the party since the 1930s.

Firstly, at a structural level the Labour Party operates within a political system that emphasises the power of national over local politics. This distinctive form of local-central relations has its origins back in the nineteenth century and refers to the separation of central and local government that has been noted in a number of studies⁶⁸. The major characteristic is a dual polity "the dominant code of politicians at the centre and accepted by politicians in the periphery. National and local politics were largely two separate worlds"⁶⁹. The theory argues that British national elites have shown little interest in local government and have delegated large areas of state functions to local authorities while allowing a high degree of autonomy and discretion in their delivery. Politics at the centre involved matters which were regarded as primarily the responsibility of national politics and local politics covered those residual matters which in normal circumstances could be left to local government and interests in the locality. Central government became unencumbered by demands for central intervention in local services and was able to concentrate on foreign affairs, defence and management of the economy. Labour did not really challenge this structure and from the 1930s became increasingly accommodated to it⁷⁰. For instance since the 1940s overall local government spending has grown massively but the number of areas where local government is engaged in providing services has declined dramatically⁷¹. The loss of services occurred as a result of the 1945-51 Labour government industry nationalisations which removed local control over gas, electricity and health. Ancillary health services and water were removed from local government control in 1974. But some new local government services did develop and these were not always the result of central initiation followed by local implementation. For instance some services developed as a result of the acquisition by particular localities of statutory permission to undertake activities. However these were often limited to minor functions, amendments to existing legislation and did not fundamentally challenge the dual polity⁷². The dual polity theory suggests that in political terms local political elites have little influence over national policy-making processes even in those areas where it's concerns may be directly affected. Consequently "the status and role of local political actors in national policy-making processes is a subordinate one. It refers to a dominance by the centre of national policy-making processes that affect local

⁶⁸ See Ashford 1982, 1983, Bulpitt 1984, Cawson & Saunders 1983

⁶⁹ Bulpitt 1983 p135

⁷⁰ Ashford, 1981, 1982, Bulpitt 1983

⁷¹ Dunleavy 1984

⁷² Keith-Lucas 1978, Scarrow 1971 & Swann 1972

government"⁷³. The centre's "desire to remain independent of local political pressures limited the degree of access between local and national political elites"⁷⁴. In the absence of an intermediate tier of government the degree of political interpenetration between the two levels was low and interaction was largely left to professional policy communities. Local governments became geared to servicing and maintaining existing policies rather than formulating local demands and transmitting them to the centre. The national party worked to "win a majority in Parliament, not to...transmit local demands to central government"⁷⁵.

Secondly, the acceptance of, and accommodation to, the dual polity was closely related to the development of centralising tendencies in Labour Party ideology. Several aspects of this ideology have been identified. The party has not found it easy to define a role for local politics because the party "does not find it easy to think in territorial terms"⁷⁶. The Labour Party places primary importance on social or economic class whose characteristics are not territorial and have little need for geographical based policies. The priority attached to combating inequality was focused on ensuring uniformity and standardisation of services between areas and worked against diversity and local autonomy. Only by centralising the provision of services could the party ensure equality in the delivery of those services⁷⁷. This is related to Labour's commitment to "parliamentary politics"⁷⁸. From the 1930s the party accorded primacy to parliamentary politics and virtually all sections of the party agreed that socialism included some sort of centralised planning. From the dominant, uncritical, Fabian view of the state it followed that if Parliament was the main power centre and that socialism could be developed from within, then some form of national planning was a logical mechanism. The party's adoption of Keynesian economic policies for demand management led to an increasing preoccupation with central demand planning with no freedom for local economic initiative⁷⁹. There were centralising tendencies inherent in the trade union movement whose main concern was for an orderly system of national wage bargaining. As the unions provided the foundation of the party their organisational imperatives shaped the party's anti-localist ideology and structure. In Labour party ideology the major role in socialist advance was assigned to central government and although there were some early challenges to this ideology in the late 1920s local politics were relegated to a secondary and passive role.

⁷³ Goldsmith & Page 1987 p79

⁷⁴ Goldsmith & Page 1987 p69

⁷⁵ Ashford 1982 p167

⁷⁶ Gyford & James 1983 p45

⁷⁷ Sharpe 1982 p153

⁷⁸ Drucker 1979 p 68

⁷⁹ Sharpe 1982 p 146

The Labour Party's acceptance of the dual polity and the development of a centralising ideology was superimposed on the party's strataarchic structure. Consequently

"the nationalisation of local politics rested less on organisational mechanisms or on the distribution of resources within parties and more on the shared assumptions and values of local and national politicians. The emergence of division and discord between local and national politicians within parties organised as strataarchies was largely avoided, not by formal machinery but through general adherence to certain widely held assumptions about the nature of British society and its politics.⁸⁰"

This role has been accepted, with some minor resistance in the interwar period, by both local and national politicians until it was challenged in the mid 1970s. This has had important implications for the interface between the two levels of the party.

DISASSOCIATED LOCAL & NATIONAL POLITICS

The acceptance of the primacy of central control by both the local and national party has been superimposed on the strataarchic party structure. Rather than the two levels of politics being absorbed they have in practice been divorced. Consequently between the late 1930s and mid 1970s the relationship between the two levels has been one of "indifference"⁸¹ based on the "disassociation of local and national politics"⁸² (see figure 1.3).

The national party has avoided channels advocating local needs and protecting local interests at the centre with the result that the "link between local and national parties is weak"⁸³. This led to the isolation of local politics from the centre and required that the "centre be protected from local political issues. The power of the national party rested on keeping decisions within the central parliamentary machinery"⁸⁴. The major characteristics of disassociation for local politics were its "low status and dominance by national priorities and strategies"⁸⁵ and the "absence of substantial interpenetration between national and local politicians"⁸⁶. The political links between centre and locality were remarkably indirect and local politics rarely competed with politics at the national level. Local politics were "divorced from national party politics and the centre is seen as exercising excessive control"⁸⁷. Local and national politicians agreed not to engage in debate giving the appearance that local politics were nationalised. The contacts between local and national party have been "primarily bureaucratic and depoliticised in character"⁸⁸, usually related to

⁸⁰ Gyford 1986 p102-103

⁸¹ Bulpitt 1976 p17

⁸² Ashford 1976 p48

⁸³ Ashford 1978 p262

⁸⁴ Ashford 1978 p248

⁸⁵ Goldsmith & Page 1987 p79

⁸⁶ Goldsmith & Page 1987 p79

⁸⁷ Ashford 1978 p267

⁸⁸ Bulpitt 1983 p 135

the operation of the local government system and mainly in the interests of the centre to avoid conflict with the local party.

The national party attempted to ensure a stable consensus around the dual polity and maintain a disassociated relationship with the local party. This was not based on the central control of the local party because

"national parties had only minimal powers over their local branches and they operate in practice as quasi-independent units. Local parties had considerable autonomy, this was not surprising since the national party provided them with few important functions. The local party autonomy was particularly marked in terms of the selection of parliamentary candidates and local government operations"⁸⁹.

This separation arose from the centre's desire and need to keep the localities quiet, leaving the centre free to pursue issues of high politics⁹⁰. This required political activity at the local and national levels to be kept as two separate worlds while the national party got on with important functions unimpeded by local demands. Attempts to impose national control over local parties were not part of this ideology as it might bring localities into conflict with the centre. Instead the national party sought autonomy from, and quiet acquiescence of, local political forces in which "local elites..could be trusted to ensure that such matters as they did deal with could by and large be kept off the national agenda"⁹¹.

The system of a disassociated politics was reinforced by the local party's "attitudes of deference and acquiescence"⁹². The local party has played a key role in accepting national party autonomy from local forces⁹³. British local government politicians have been described as "extraordinarily complacent"⁹⁴ in accepting duality as local government and local politicians were "either concerned to avoid conflict with the centre or administer its policies as best they could"⁹⁵. For instance there is no automatic local leadership as "the national party and the discipline of Parliament diminish their status and their access to the centre"⁹⁶. Those local leaders that emerge do "not constitute a permanent feature of the internal power structure of the party with which the central party institutions have to contend and the national leadership is curiously insulated"⁹⁷. The local Labour party "provided sound if often dreary chaps (sic) to manage the less salubrious areas of Britain"⁹⁸ who

⁸⁹ Bulpitt 1983 p158

⁹⁰ Bulpitt 1983

⁹¹ Goldsmith & Page 1987 p81

⁹² Ashford 1978 p245

⁹³ Bulpitt 1983 p161

⁹⁴ Ashford 1978 266

⁹⁵ Bulpitt 1983 p144

⁹⁶ Ashford 1982 p4

⁹⁷ Sharpe 1982 p150 Morrison is the only figure in local politics to reach the top ranks of the party through local government. See Donoughe & Jones 1973 p63

⁹⁸ Bulpitt 1982

"could be trusted to manage the localities and not to use their local government position to pursue political aspirations above their station"⁹⁹. In any case national party organisations did "not depend heavily on the party leaders in local government"¹⁰⁰. Consequently the local politicians did not see their "role as extracting benefits from the centre" and "did not collectively influence parties, nor directly enter into policy-making at the centre"¹⁰¹. The result for the local Labour Party has been graphically portrayed in a number of studies of the operation of local parties in the 1950s and 1960s. There is evidence of local authorities controlled by local party bosses, CLPs with "full" memberships and low levels of political activity. Local parties were primarily concerned with local political activity, local fund raising and were described as "self perpetuating and self contained, busy with their own affairs, not greatly troubled by party leaders, party bureaucracy or even party policy"¹⁰². Local party meetings were usually about the administration of the party with very little discussion of national party policy. The local party embraced the centrist culture and there was welcome subordination to the centre in many local parties¹⁰³. The national leaders did not "need to control local candidate selection in order to maintain party cohesion: the local activists do the job for the them"¹⁰⁴. Consequently there were limited linkages with the centre and no effective control over the national party¹⁰⁵. Many local parties saw no need for contact with the centre. This characterisation of local party behaviour was to be in stark contrast to the active role of the local party units in the national party during the 1980s.

There were contacts between local and national politicians especially in cities that largely returned Labour MPs but the nature of these links underlines the separation of local and national politics. Intricate political links between the local and national party have "never been developed"¹⁰⁶. At a political level localities had "little influence in shaping national proposals affecting local government"¹⁰⁷ or a "consistent or influential role in deciding more general policies"¹⁰⁸. Local interests appeared to be a threat to national policy-making and the national party was insulated from local politics¹⁰⁹. The patterns of access for local parties "emerged as indirect - mediated through associations - and rather weak"¹¹⁰. The most visible local-national contacts focused on such matters as boundary changes and on

⁹⁹ Goldsmith & Page 1987 p81

¹⁰⁰ Ashford 1981 p175 *A situation that was to change significantly in the 1980s.*

¹⁰¹ Ashford 1982 p134,279

¹⁰² Ashford 1982 p151

¹⁰³ Jones & Stewart 1984 p3

¹⁰⁴ Ranney 1965 p231

¹⁰⁵ Parkinson 1973 p441-442

¹⁰⁶ Ashford 1978

¹⁰⁷ Ashford 1982 p157.

¹⁰⁸ Ashford 1981 p171

¹⁰⁹ Ashford 1981 p186

¹¹⁰ Goldsmith & Page 1987 p83

local government reform. But even over these issues "determined pressure by local politicians was almost completely ignored by their national counterparts"¹¹¹. Local parties had few ways of collectively expressing their views on national policy. In the absence of a general pattern of direct contact between local and national party, relationships tended to be dominated by national associations of local government but "these tended to operate as if representing some general local government interest or particular local authority services: they ignored the specific interests of local communities"¹¹². Consequently the operation of the disassociated polity

"allowed local politicians to exercise direct influence over local issues without continual recourse to direct contact with their national counterparts. The development of national associations of local authorities helped to ensure that, on the occasions when the national party wanted to enter some form of dialogue with local government, there was no need to take up direct contacts"¹¹³.

There were some attempt to resist centralisation after the 1940s and create a debate about the role of local in the party¹¹⁴. But in general Robson argued nowhere "within the Labour movement can one see any influential sections able or willing to resist the corroding influence of centralisation which has infected the whole party"¹¹⁵. A review of the 1960 Labour Party manifesto stated that local government "appears simply as the instrument through which improved services are to be provided"¹¹⁶. Throughout the "years of opposition there has been no working party on local government and no policy for local government"¹¹⁷ and there was no "discussion on local government at the Annual Conference for nearly a decade after the war"¹¹⁸. Within CLPs there was some dissatisfaction with their limited role in national party policy formulation¹¹⁹. But these concerns had no serious impact on the disassociated relations between the local and national party.

However the disassociated nature of party relations has on some occasions broken down through local political action such as Poplarism. The disruptive use of local politics has been adopted by "those who have refused to remain confined within the limits of the system in which they found themselves"¹²⁰. The central objective of movements such as Poplarism

¹¹¹ Goldsmith & Page 1987 p83.

¹¹² Bulpitt 1983 p154

¹¹³ Goldsmith & Page 1987 p87

¹¹⁴ Dell 1960, Robson 1953 & Self 1950

¹¹⁵ Robson 1953 p51-2

¹¹⁶ Dell 1960 p333 whose article "was written in defiance of all the post war trends towards greater centralisation of political power"

¹¹⁷ Dell 1960 p337.

¹¹⁸ Ashford 1982 p89 -90

¹¹⁹ Parkinson 1971

¹²⁰ Branson 1979 p77

and municipal socialism emerged in the course of struggles over particular services which were unobtainable within the existing local government context.

"The point of many of the disruptive uses of local government was to force the displacement of issues from the local level, where implementation was clearly impossible on any extensive scale, to the national arena where working class militancy could ensure a properly funded and acceptable standard of service provision or administrative organisation"¹²¹.

To establish the uniqueness of these localities they must be placed in the context of the tradition of the Labour Party at local and national level in the post war period. The Labour Party's attitude was consistent with the view of reform through constitutional means. Only a few Labour councils attempted to transgress the usual compliance to disassociated politics and take seriously disruptive action on a wider scale. Local authorities

"generally tend to play for safety, being reluctant to challenge prevailing relations between centre and locality thus enhancing the ability of central governments to play "rules" which are conducive to minimisation of disturbance in the political system and which help to effect a degree of consensus acceptable to those committed to legitimate procedures and practices"¹²¹.

Although specific localities may occasionally break the pattern of disassociated relations these are the exceptions to the general pattern of relations between local and national party.

CONCLUSION

Over the period from the late 1930s to the mid 1970s the local Labour Party "has played an essentially contributory part in Labour's" strategy and structure¹²². The local Labour Party has "become geared to servicing and maintaining existing central policies rather than aggregating local preferences formulating local demands and transmitting them to the centre"¹²³. At national level the role of the local party has been seen in terms of its contribution to broader national goals of social and economic reform. This has taken five main forms, the first four having their origins in the early years and the fifth developing specifically as Labour became the alternative government at Westminster. First, the use of local government to create employment and to improve working conditions through municipal enterprise. Second, to provide services of a public utility or welfare nature. Third, to use Labour control of local government to demonstrate the capacity of the party to govern nationally. Fourth, to secure the election of a Labour government by acting as electoral agents for the national party. Finally, there was "the general availability of local councils to assist Labour governments in their work of reform"¹²⁴.

¹²¹ *Jacobs 1984 p77*

¹²² *Gyford & James 1983 p46*

¹²³ *Bassett 1984 p83*

¹²⁴ *Gyford & James 1983 p46*

The Labour Party cooperated with the neutralisation of local politics to develop a political system which largely insulated the local from the national party. This was based on the acceptance of the dual polity and a centralising party ideology leading to the development of a relatively disassociated set of relations between both levels of the party. Consequently

"the mobilisation of local political interests and influence is relatively weak compared to other democratic systems. The national and local electoral systems, the relationship of local and national parties and very different orientations of national and local party leaders, serve to attenuate local issues and to isolate local politics from higher level decisions"¹²⁵.

The interface linking the two levels is very poorly developed but has been utilised by the national party to obtain information on the operation of the local government system and avoid major conflicts. The main thrust of central party involvement in local party politics is in the fields of discussion and consultation, in the provision of information and advice through study groups, publications and conferences, ensuring party rules are followed, and in servicing the party groups on the three local authority associations which are increasingly recognised as important links between local and national politicians. There is no attempt to lay down any single party line to be obeyed by the local party regardless of local circumstances¹²⁶.

There is little evidence of local parties transmitting local demands to the centre apart from in exceptional circumstances. The view that local parties have been nationalised by the operation of party structure clearly overstates the degree of central control within the party. The concern over excessive centralism is based on the political structure within which the party operated and contributed to, the dual polity, and the development of strong centralising tendencies in party ideology. The acceptance of this structure and ideology by both levels of the party overlay the party's stratarchic structure leading to the development of disassociated relations between local and national.

But in the early 1970s there was evidence of growing instability in the relations between local and national parties and a de-nationalisation of local politics with a growing diversity of local politics within CLPs and local councils. There "re-emerged signs of a willingness to re-examine the vision of a decentralised socialism in which local government would have a key place"¹²⁷. The restructuring of local politics was based on the breakdown of the dual polity and the development of conflicting party ideologies. These local challenges to the assumptions and equilibrium of the disassociated relations which had existed since the late 1930s had the potential to expose the party stratarchy to strains and conflicts, and create

¹²⁵ Ashford 1982 p360

¹²⁶ Gyford 1976 p19

¹²⁷ Gyford & James 1983 p46

new types of relationship between local and national party no longer based on shared assumptions about the operation of the political system. The economic and ideological factors behind the emergence of this new localism and its implications for the relations between local and national party are examined in the next chapter.

CHAPTER 2 TOWARDS A NEW LOCALISM

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INTRODUCTION

Since the early 1970s there has been evidence of a growing diversity in the relations between local and national parties. The breakdown of the dual polity, upon which disassociated relations between local and national parties was based, has contributed to the instability of political relations between the local and national Labour Party. This has exposed the party stratchy to increasing strains and conflicts, creating the potential for new forms of local-national party relations no longer based on disassociation. This chapter examines the reasons for the breakdown of disassociated relations and analyses the potential this creates for new types of relationship between local and national party. The argument is developed in four sections.

First, we give an analysis of the breakdown of the assumptions underlying the dual polity. The breakdown was derived from the intensifying economic crisis and the development of new ideologies within the Labour Party from the early 1970s. These trends began under the Labour government of 1974-79 but were intensified under Conservative administrations after 1979 and created tensions in the relationship between local and national politics. Nationally in response to economic problems, central governments attempted to restrict overall public borrowing and actually imposed cuts on local government expenditure. This created serious problems for those local politicians faced with local economic decline, rising unemployment and demand for more services. It became increasingly untenable to maintain the dual polity because national policies had important local impacts and local politics had major implications for national policies, particularly for central government expenditure plans. New and conflicting ideologies developed at local and national level, based on distrust and conflicting ideas about the role of local politics. It became difficult to maintain disassociated relations between local and national parties the national party intervened in localities and local politicians demanded more access to national policy-making.

Second, a particularly significant contribution to the breakdown of the dual polity was the development of "local socialism" in a number of Labour local authorities in the early 1980s. These authorities transformed old issues and raised new issues in policy areas which embraced a range of policies and initiatives that had an important technological component including telecommunications, energy production, transport, the role of technology in work and more generally around such concepts as socially useful production. A debate developed about the implications of these local initiatives and their potential to restructure for labour at a local level. Local authorities' ability to effect significant local change was

constrained by a hostile central government, lack of resources, legal powers and the limited means available to intervene in the local economy. With these constraints a number of local government leaders and academics argued that the real significance of local initiatives was in terms of their national policy implications. Local policies could provide a framework of initiatives, practices and ideas which could be built upon by a future Labour government. The exemplary policies were important in several respects. Ideologically they were based on critiques of past centralist Labour Party policies. Electorally they assumed an important base from which the Labour Party could challenge the Conservative Government given that the party nationally was in opposition. Consequently local initiatives have been emphasised in proposals by local councils, local politicians and academics for changes in Labour Party policy which give local authorities a more important role in national policy.

Thirdly, these developments created the potential for new forms of relationship between the local and the national party no longer based on disassociation. Most significantly there has been a trend towards engagement between the two levels of the party. The local party has attempted to displace issues and policies from the local onto the national political agenda where the potential for real gains was greater. This process is termed localisation and evidence supports the view that localisation of national Labour Party policy has taken place in the 1980s. But it is not clear to what extent the local party has had an impact on national strategy. Evidence suggesting that localisation of national party policy has occurred is confusing. There are three related positions on this issue. First, that the national party has not broken out of its "centrist" paradigm. Consequently attempts to place local initiatives on the national agenda have been resisted by the party. Second, an argument which does not attempt to confirm or deny the extent of localisation, but argues that any impact on the national party is a temporary aberration - a unique response to a particular combination of political and economic circumstances in the early 1980s. A third position argues that theoretically and empirically local politics have little to say about national political priorities and are unlikely to have any significant impact on national party strategy.

Finally, we conclude that the co-existence of such arguments indicates that it is difficult to assess local party impact on the development of national party strategy. Such difficulties are closely related to three problems with the literature. First, there have been no detailed case studies of policies of interest to local and national party. Second, there have been no assessments of the relationship between particular localities and the national party. Finally, there has been no attempt to relate debates about the implications of local socialism to the different theories around the role of the local party in party structure. Detailed case studies

are required before any assessment of the impact of local on national party can be undertaken.

CHALLENGING THE DUAL POLITY

Since the early 1970s the relations between local and national government have emerged as a leading political issue. Until this period the dual polity was constituted to avoid problems and conflicts between local and national politics. But it came under increasing pressure with an interventionist centre and more politically active localities. Local government moved from operating as a mechanism for keeping local pressures out of harms way, to becoming a testing ground for new policies and ideas. Up to the early 1970s, within broad centrally imposed constraints, the convention was that each local authority could set its own rates and use central government grants to determine its own mix of local spending priorities. The period between 1965 and 1975 marked the height of local government spending and local autonomy. However the dual polity rested on extremely fragile ideological and economic foundations. It was sustained by four main factors. First, the supply of deferential collaborators among local politicians, particularly within the Labour Party. Second, the centre's preoccupation with defence, management of the economy, foreign affairs and a willingness to provide local government with increasing amounts of grant aid. Third, there was the continued ability of central government to manage the economy by Keynesian macro controls with little direct interference in the supply side of the economy. Finally, it was accepted by national politicians that their own autonomy was not adversely affected by the reciprocal autonomy allowed to their local counterparts. But serious problems with the assumptions behind the dual polity developed in the early 1970s particularly on the issue of central economic management. There were four principal problems: economic decline; the failure of party strategies to achieve economic growth and resolve problems; the decline of the willingness of local politicians to collaborate with central government; and the emergence of a more volatile electorate. These new trends began to challenge the established orthodoxy of a compliant local political culture as both centre and locality pursued policies that departed from the old duality¹. This had important implications for the relations between local and national parties with opportunities for new forms of relationship based on conflict and local demands for changes in national policies.

With the election of Labour government in 1974 there were fears that public expenditure was out of control. In the search for remodernisation, economic growth and solutions to

¹ *Basset 1984 p94*

social and economic problems the government abandoned reciprocal autonomy and began interfering increasingly in local affairs. The role of the centralised state as a vehicle for social betterment was called into question in the recognition that central government could not solve all localities problems. Central government intervened through the development of national policies with important spatial implications that often circumvented local government control and involvement. Changes in the structure of local government and inner city initiatives were examples of central interventions and moves away from the more traditional aspects of the dual polity in which localities had been left to deal with local problems. But more significantly with increasing economic pressures the issue of local government spending became more pressing. In 1975 local government consumed 33% of state expenditure and it was argued that this was a major contribution to national economic problems. The Labour Government imposed limits on overall local government spending in 1975, with the 1976 IMF intervention central grants were reduced, targets set for expenditure and in 1977 cash limits were imposed on the level of Rate Support Grant. The real value of grants to local government was reduced in real terms after 1975. The Labour Government challenged many aspects and principles of the dual polity as the centre began to intervene in a more detailed manner in local politics. Important local responses to the changes developed which broke the pattern of disassociated relations and led to engagement between the two levels of the party.

The Labour Government asked for collaboration and cooperation from local authorities for their expenditure restrictions. However the deepening crisis in many local economies and increasing demands on welfare services imposed new pressures on local politicians. Local authorities increasingly moved from being participants in an expanding welfare state to performing the role of inadequately funded managers of local crises. This imposed new strains and tensions on local politicians and had important implications for the relationship between the local and national Labour Party. There was "disquiet at the way local government was being treated by the Labour Government, with some Labour controlled authorities, South Yorkshire being perhaps the most prominent, claiming a local mandate for their refusal to abide by the call to cut back their local spending"². At Labour Party conferences pressure was put on the Government to curtail cuts in public expenditure³. With the exception of South Yorkshire and the transport subsidy issue local pressure on the national party focused on the issue of aggregate expenditure rather than specific policy issues. But a climate developed in which local and national politicians lost confidence in each other and which brought them into conflict. The collapse of the dual polity imposed

² Gyford & James 1983 p11

³ Gyford & James 1983

increasing strains on the party strata as it became increasingly difficult to maintain disassociated relations. Disassociation was replaced by engagement as a debate developed "both between and within the political parties over such issues as the proper role of local government, its relationship with central government and the place of local government in the parties' strategies"⁴. This led "indirectly to a considerable amount of heart-searching within the Conservative and Labour parties over the issues of central-local relations within parties and their local government wings"⁵.

Although the Labour government took control over aggregate local expenditure it did not seek to control the finance or policies of individual local authorities. But it did leave two important legacies which set the context for the conflicts between central and local government after 1979. First, the principle and mechanisms were established to ensure that central government could demand that local government spending followed macro economic strategy. Second, changes in national policies stimulated a debate in the Labour Party about the role of local government, its potential for new policies and its role in the development of local socialism. In the 1970s a broad decentralist movement emerged in the Labour Party encompassing interest in political decentralisation, community action, and decentralisation of power in the workplace, issues which continued as themes for debate and discussion following the 1979 election defeat⁶. Gyford concluded that without "overestimating its present impact on the party at large it seems plausible to argue that a certain head of steam has begun to build up in recent years behind the movement for a more decentralised socialism"⁷. Both these trends were to have important implications for the relations between local and national Labour Party in the 1980s.

Despite Labour's success in confining local government expenditure, within weeks of taking power the Conservative Government was describing local authorities as wasteful, burdensome, irresponsible and out of control. The Thatcher Government applied monetarist economic policies based on the control of monetary supply and reductions in public expenditure. The central tenet was the belief that free markets were economically efficient, socially just and that Britain's economic decline came from a failure of previous governments to allow markets to operate freely. The policy solution was seen in terms of a strong central state to remove obstacles to the operation of markets. This implied central state action at the local level to control not just how much was spent by local government

⁴ Gyford & James 1983 p9

⁵ Gyford & James 1983 p11

⁶ Gyford 1980b, 1985 p42 cites publications by party members including 4 former ministers published between 1968-80 and changes in the party's official policy in the 1974-79 government leading to the Industrial Common Ownership Act and proposals for organic reform in local government as examples of the renewed interest in decentralisation.

⁷ Gyford 1980b p2

but on what. The problem with local government for the Conservatives was that local government services and finance insulated individuals from the market, crowded out the private sector resources, absorbed resources in a "non-productive" sector and embodied important ideological and political roles which were directly opposed to Thatcherism⁸. The result was a series of local government acts culminating in abolition of the GLC and metropolitan counties and the introduction of the poll tax. These measures were designed to limit local expenditure and to intervene in many aspects of local authority policy. These changes had important implications for local-national relations Labour Party because the collaborative culture between local and national politics was beginning to decline and "after 1979 it collapsed in some Labour council groups"⁹.

The most significant local response was the development of "local socialism" in a number of Labour local authorities from the 1980s. These authorities included the GLC, ILEA, the Merseyside and South Yorkshire MCC, several London Boroughs, major cities such as Manchester, Liverpool and Sheffield and a number of smaller authorities¹⁰. The new left included councillors, party activists, community workers and local government officers. Gyford identified a number of specific origins for the new urban left including community action, campaigns against local spending cuts, internal struggles between left and right for control of local Labour parties, environmentalism, alternative technologies, radicalisation of local government professions and the women's movement¹¹. These groups shared a common concern for the socialist and more widely radical potential of local government often arising from a belief in the inadequacy of traditional centrist models of Labour politics¹². "Local socialism" is best understood as an associated set of characteristics including issues absent or marginal to conventional local government such as local economic planning, equal opportunities and decentralisation. Compared to previous periods local government became a major focus of Labour Party political activity. The development of local socialism and the election of a Conservative Government had major implications for the dual polity. Locally Labour councils attempted to raise finance and develop socialist policies while central government cut local expenditure and imposed free market policies on local authorities. The developing crisis between central and local government from the early 1980s led to a more interventionist centre and less collaborative localities. This had important implications for the relations between the local and national Labour Party as engagement replaced disassociation and created the potential for new forms of relationship.

⁸ *Duncan & Goodwin 1988*

⁹ *Bulpitt 1984 p63*

¹⁰ *Gyford 1985 p17*

¹¹ *Gyford 1984 & 1985 p21-42*

¹² *Gyford 1985 p17*

ILLUSTRATING NATIONAL ALTERNATIVES LOCALLY

Local socialism "placed new issues on the agendas of local authorities or else transformed old issues almost beyond recognition"¹³. The policy issues raised included the local economy, policing, race, women's initiatives and decentralisation. Particularly important were local economic policies to restructure local economies for labour rather than capital. These policies went beyond the normal boundaries of local authority activity and focused on issues previously the concern of national government. Within local economic strategy "technology played a more or less important part"¹⁴. Several local authorities, in particular Sheffield, West Midlands and the GLC, developed more radical economic and employment and technology strategies focusing on a socialist alternative to mainstream policies. These authorities sought to develop policies which broke away from mainstream concerns which placed the public sector and local authorities in a subordinate role to the private sector. Important factors in the development of these policies were a more general re-evaluation of the National Enterprise Board, experience gained through Community Development Projects and the Lucas Aerospace¹⁵. These local initiatives were developed at two levels, intervening with unions "on the side of labour in contrast to the managerial orientation of traditional approaches" and the development of "democratic socialist strategies through promoting union and locality based involvement in bottom up popular economic planning"¹⁶. These authorities developed a range of interventionist tools including Enterprise Boards, technets and popular planning initiatives. Both Sheffield and the GLC included a feasibility study for CHP/DH and cable technology as examples of socially useful production (see figure 2.1). These authorities had to "consider policies at least partially implementable at local workplace and community level even though most state policies for science and technology are implemented at national and corporate level"¹⁷. Technology policy has been a national function rather than local government and most of the policy instruments available to influence technology development were only available at the national level.

This activity created a significant debate about the ability of local economic and technology strategies to restructure for labour and implement socialist policies locally. Attempts to translate the socialist ideal into reality at the local level exposed a number of ambiguities and dilemmas. There were severe limitations on local economic development policies and

¹³ Gyford 1985 p44-45

¹⁴ Wield 1986 p4

¹⁵ Cooley 1985

¹⁶ Boddy 1984 p174-5

¹⁷ Wield 1986 p2

initiatives in terms of the limited power and territorial authority of local government, and the political, ideological and legal limitations of local government¹⁸.

Figure 2.1 Local Authority Technology Policy Issues

Energy:	<ul style="list-style-type: none"> - conservation - CHP/DH - anti-nuclear - pro-coal - renewables - warmth & jobs 	Food:	<ul style="list-style-type: none"> - irradiation - sector strategy
Transport:	<ul style="list-style-type: none"> - electrification - disabled access - mass transit - anti-pollution - rail-bus 	Health:	<ul style="list-style-type: none"> - waste disposal - womens health - diagnostic systems
Production:	<ul style="list-style-type: none"> - science parks - Enterprise Boards - Tech Transfer - Technets 	Military:	<ul style="list-style-type: none"> - arms conversion - anti-nuclear
Jobs:	<ul style="list-style-type: none"> - human centred systems - new technology agreements - socially useful production 	IT:	<ul style="list-style-type: none"> - cable systems - local radio/TV - interactive services
		Training	<ul style="list-style-type: none"> - technology training - poly/uni linkages - equal opportunities

Based on Wield 1986 p20, see Marvin 1986 for a wider range of production initiatives.

Local strategies were "inevitably limited..given the tight legal and financial constraints on local economic interventions, their impact has been slight due to the dependence of most local economic strategies on national and international factors"¹⁹. Some sympathetic critics of local initiatives argued that they evaded crucial issues of national level politics especially in relation to the economy. The advocates of local economic planning were described "as 'hobbit socialists' because of an alleged failure to link their proposals for localisation to the national and international processes which would swamp any purely local activity"²⁰. However there was an increasing recognition that local authorities did not have the powers to pursue alternative policies without the support of the centre²¹. Because of the severe constraints on local initiatives there was a need to link local to national policies. It was hardly likely that local economic strategies could effect a major transformation which "must be the goal of regional, sectoral and national policies (as) local measures seemed doomed to insignificance this side of some historic sea-change in national economic management"²².

¹⁸ Duncan & Goodwin 1984 p20

¹⁹ Saunders 1984 p40

²⁰ Taylor 1982 p5

²¹ Blunkett & Jackson 1987 p204, Gyford 1983 p15

²² Lovering 1988 p155

The constraints on the ability of local technology initiatives to make an impact on local economies raised the issue of what was the significance and importance of local socialism. A number of council leaders argued that the importance of local policies was their relation to changes in national party policy. Sheffield City Council used local policy to "build a confident, local working class movement which concentrates its power at its base and which is committed to develop genuine, socialist alternatives to the top heavy policies of the last Labour government and the various monetarist policies of the current Conservative government"²³. Blunkett argued that local authorities like Sheffield City Council used the "local state as an example of what we could do as a Socialist government at national level" as "there is a great deal we can learn while the Labour Party is in opposition"²⁴. Blunkett was interested in "elected councils becoming the means by which coherent industrial and economic programmes are built into plans for the national distribution of resources"²⁵. This included public utilities such as the water and energy supply industries which could be integrated into plans for economic regeneration²⁶. These "should be the central objectives in reshaping local and regional government for the future"²⁷. It was argued that "the examples in the past of local government's role in providing electricity, gas, transport, telecommunications and construction, can all be reflected in the modern initiatives of meeting social need"²⁸. Michael Ward, Chair of the GLC Industry and Employment Committee, argued that "local initiatives can demonstrate that the alternative works; that greater democratic control and the planned use of resources can be used to create jobs. Local initiatives can lay out the line of policy that future Labour government can follow"²⁹. The London Industrial Strategy (LIS) had an implicit "focus on a future Labour Government to carry through detailed sector strategies of 'restructuring for labour'" ³⁰. As LIS itself stated "what emerges from these experiences is that the local and the national are not alternatives rather, in case after case, it has been clear how local initiatives need the power and scope of national government to be fully effective"³¹. The specific action would depend on each sector but all required intervention at the national level and a federal relationship between local and national government providing a framework for linking local and national activity within a sector. They argued that with "an interventionist approach to production,

²³ *Sheffield City Council 1981*

²⁴ *Blunkett 1981 p102 & 103*

²⁵ *Blunkett & Jackson 1987 p206*

²⁶ *Blunkett & Jackson 1987 p209*

²⁷ *Blunkett & Jackson 1987 p209*

²⁸ *Blunkett & Jackson 1987 p123*

²⁹ *Ward 1981*

³⁰ *Bruegel 1988 p181*

³¹ *GLC 1986h p61*

local authorities have an important place in national strategy. If strategies are to be built from below then local councils are one of the principal building blocks"³².

During the 1980s sympathetic academics argued that local initiatives could and should have major implications for national Labour Party policy. These proposals were based on the view that the Labour Party needed to develop "a distinctive socialist theory of local government to offer as an alternative"³³. Gyford concluded that "local socialism may prove to have implications, not only for local government but politics at all levels"³⁴. Cochrane argued that their importance was the way they "fitted into national debates" and offered a "framework on which national policies could be built. They suggested methods which could be developed further by a sympathetic central government, but were also intended to confirm that in future national economic policies had to have a local - by implication local authority - dimension"³⁵. Local initiatives had important implications for national policy as they "sought to develop a coherent and "decentralised" popular planning that can be taken up not only at local and regional level but at national level with national company and sectoral plans"³⁶. The implication was not that socialism can be built from a local government base in isolation, or indeed from the local level alone. The aim was to explore the potential contribution of local government and local political space to the development of a viable, relevant and credible socialist alternative³⁷. As the Labour Party was excluded from direct access to state power, "the autonomy of the local state becomes of prime importance to the groups attempting to establish that there is an alternative" and "local government does offer a key site (perhaps the key site outside Parliament) where such potential can be developed"³⁸. Local initiatives led to "detailed practical policies which only a progressive government can deliver"³⁹. The broader aim was to ensure "that a future socialist government has working models of democratic planning"⁴⁰. Local initiatives raised the issue of control at higher levels which could "generate new approaches to national and international questions"⁴¹. Left wing councils used local economic strategies to demonstrate that there was an alternative to Thatcherism by "providing a model for the next Labour government and piloting national alternatives for socialist policy"⁴². Both the GLC

³² GLC 1986h p60

³³ Bassett 1982 p12

³⁴ Gyford 1983 p17

³⁵ Cochrane 1988a p160

³⁶ Wield 1986 p91 See also Lovering 1988 p155, Wainwright 1987a p290, Massey et al 1984 p226 & Mackintosh and Wainwright 1988

³⁷ Boddy & Fudge 1984 p20, Duncan & Goodwin 1984 p24

³⁸ Duncan & Goodwin 1984 p274

³⁹ Murray 1985 p32

⁴⁰ Grayson 1982 p 22

⁴¹ Lovering 1985 p 136

⁴² Duncan & Goodwin 1988 p24

and Sheffield policies were "developed on the basis that they should indicate possibilities for a wider socialist society. They were to be prefigurative, rather, necessarily, than being able to have a dramatic impact on the local economy"⁴³. However the emergence of these new initiatives and alliances, and the exploration of alternative socialist models and ways forward was "as much a response to the electoral decline of the traditional Labour Party and dissatisfaction with Labour's postwar legacy - with its stale visions of a centralised state socialism - as a reaction to the assaults of Thatcherism"⁴⁴.

The need for new policies was based on a recognition of the failure of centralised statist socialism fully to match the needs of its proponents and its intended beneficiaries. The left became disillusioned with centralised state socialism and attempted to go beyond nationalisation and public bureaucracies⁴⁵. In the 1980s the local socialists counterposed decentralised involvement to the "corporatist and bureaucratic experience of Labour in power at national level"⁴⁶. The GLEB technets had "grown in part from the critique of the hamstringing of the National Enterprise Board by the Department of Industry between 1974 and 1979"⁴⁷. Local initiatives were an attempt to break with past Labour Party practices and explored ways of transcending the Morrisonian model. This led to calls for less state power and more popular involvement through trusts, cooperatives, municipalisation, trade unions or user controlled enterprises⁴⁸.

The major feature of British voting behaviour has been the increasing spatial polarisation in the support of the two main political parties. All the evidence indicates that between 1970-87 "there has been a long term movement towards Labour in the North, in Scotland, and in the most urban areas"⁴⁹. These long run trends have had three important implications for the Labour Party at both local and national level. First, the decline in the proportion of the seats held by the parliamentary Labour Party and the loss of three general election⁵⁰. Second, the decline in the proportion of MPs is not matched at local authority level. Finally the local Labour power base at council level has been an important source of opposition to Thatcherism. With Labour's collapse at Parliamentary level and the failure of traditional support nationally, for most of this decade the only power that has been held by the Labour Party is in local government. Consequently "local authorities have taken on a particular

⁴³ *Cochrane 1988a p164*

⁴⁴ *Boddy & Fudge 1984 p19*

⁴⁵ *Boddy & Fudge 1984 p2, Gyford & James 1983 p15*

⁴⁶ *Cochrane 1988a p159*

⁴⁷ *Ward 1983 p27*

⁴⁸ *Geddes 1988 p103-104*

⁴⁹ *Curtice & Stead 1984 p338*

⁵⁰ *See Kavanagh 1982, Whiteley 1983*

importance as a base from which to challenge Thatcherism"⁵¹ and this has "enhanced the perceived importance within the Labour Party of local government as a vehicle for the advancement of socialist policies"⁵². Massey argues that existence of "crucial bases in many of British cities ..have the potential to show that there could be an alternative"⁵³. The most coherent alternative to the urban and economic policies of the Conservative government did not come from the national opposition parties "but from a relatively small group of radical local authorities"⁵⁴ where local government politicians such "as Ken Livingstone and David Blunkett, used their positions to mobilise support for the Labour Party centrally as well as locally"⁵⁵. This is why it has often been said that the "Socialist Republic" of South Yorkshire, Sheffield City Council and the GLC, as well as other radical left local governments: have done more to oppose Thatcherism and show possible alternatives than the official and apparently impotent parliamentary opposition"⁵⁶.

LOCALISATION OF NATIONAL POLICY

The key question was to what extent local government could "establish a local base from which to influence the centre and displace local issues on to the national agenda where the opportunities for achieving real gains might be greater"⁵⁷. The relations between national and local party from the late 1930s to mid 1970s were based on the disassociation between national and local politics. However from the mid 1970s and particularly the 1980s the breakdown of the dual polity has created opportunities for new types of relationship. The conflicts that have occurred have had an important effect on the channels of access between national and local party. It

"has opened and expanded the partisan link, with both major parties giving more attention to local government matters and developing links between local politicians and their parliamentary counterparts. There is much greater coordination between the different authorities, their politicians, party groups on local government associations and the parliamentary parties than was the case ten years ago. The conflict also saw the arrival of local politicians who have begun to achieve national status and prominence... These changes, primarily affecting the Labour Party..have opened up the possibility of further shifts in the patterns of access - the expansion of channels of direct access to the centre⁵⁸"

Evidence for engagement between local and national Labour Party can be found in a number of areas. First, the resurgence of independent activity in local government led to a

⁵¹ Boddy & Fudge 1984 p7

⁵² Boyne 1985 p100

⁵³ Massey et al 1984 p215-216

⁵⁴ Cochrane 1988b p159

⁵⁵ Johnston, Pattie & Allsopp 1988 p87

⁵⁶ Duncan & Goodwin 1988 p95

⁵⁷ Boddy 1981 p14

⁵⁸ Goldsmith & Page 1987 p85-86

number of local politicians rejecting the centrist political culture and local political leaders spoke out with greater authority on behalf of local government. The election of David Blunkett to the National Executive Committee of the Labour Party "marks a wider recognition being given to the political vigour of local government"⁵⁹. Second, the Widdicombe Inquiry in 1986 found that many local councillors were "conscious of a national dimension to their local authority work" as local participants in a contest over the future of local government⁶⁰. For some councillors this involved a higher degree of participation through "action at the national level, through local authority associations or through party committees"⁶¹. Even those councillors not involved at national level often "saw themselves as being currently engaged in a political contest of more than purely local significance"⁶². Third, one response to the opposition of the abolition of the GLC campaign was that

"the local government crisis was presented as one of the leading issues of the day which should command prime attention from the opposition. (An impression the Government did nothing to dispel.) This was something of a turn around for Labour where a centralised national party had traditionally relegated local government to the level of spear-carrier. Among other things, the Labour Party National Executive Committee upgraded its Local Government Affairs Committee to the same front line status as the Home Policy and International Policy Committees"⁶³.

Fourth, the new range of problems that local governments raised and faced created difficulties in the local authority associations. The range of interests, structure and functions of local government led to problems of integration within national level organisations and their representation at national level⁶⁴. Consequently new national organisations representing local interests were created such as the Centre for Local Economic Strategies and South East Economic Development Study. Both organisations tried to avoid being purely reactive and began to engage with the national party over issues such as local economic policy and the role of local authorities in creating jobs within a national policy framework. Fifth, the agenda for the 1984 Labour Party Annual Conference contained 32 resolutions on local government⁶⁵. This number was the largest on any single topic and indicated the extent to which local government had begun to occupy the party in the 1980s and this was a far cry from the neglected period after the war when there were no resolutions on local government (see chapter 1). Local government issues had become a major focus of national Labour Party activity. Finally, representatives from local government increasingly became members of national policy working groups, such as those on regional

⁵⁹ Jones & Stewart 1984 p4

⁶⁰ Widdicombe 1986 p101

⁶¹ Widdicombe 1986 p101

⁶² Widdicombe 1986 p102

⁶³ Duncan & Goodwin 1988 p217-218

⁶⁴ Rhodes 1983

⁶⁵ Gyford 1985 p1

policy, industrial policy and job creation, providing another means through which local policies and initiatives could be placed on the national party agenda.

Compared to the disassociated linkages in the period between the 1930s and early 1970s, examined in the previous chapter, in the 1980s there was engagement between the local and national Labour Party. The greater engagement opened the possibility for some two way traffic of information, experience, options, ideas, demands and the possibility "even that the national party may be influenced by local pressures"⁶⁶.

"The intervention of national parties in local politics need not necessarily entail a simple one way relationship from the top (or centre) down to the bottom (or locality). There may also occur a flow of information, ideas and demands from the locality to the centre, stemming from local experience and local needs"⁶⁷.

Gyford calls this type of relationship localisation of national policy. Labour local authorities raised many national issues locally and it was recognised that their real significance was their relationship to, and implications for, national policy. These local parties may have attempted to influence the formulation of national policy. Gyford identifies three forms of localisation. First, some local authorities may develop new experiments or initiatives offering new solutions to old problems. Local politicians may want to spread the initiative "throughout the party in the hope of making their innovations standard practice across the nation". Second, a local problem may emerge which is not covered by current national party policies and then local politicians may "bring this to the notice of their national colleagues in the hope of securing new or amended legislation or a change in policy, especially if they learn that other localities share their predicament and support their initiative". Finally "it would not be surprising if some local politicians took advantage of their contacts at national level simply to lobby on behalf of their own local authority... the objective would be to simply secure from national government some special consideration or dispensation for their locality"⁶⁸.

All these aspects of localisation seem to be particularly pertinent to the period since the mid 1970s. But to what extent has national policy been influenced by local authority initiatives? Are there "any reasons to expect the emergence of decentralised, self-governing socialism within which the policies and practices of local socialism could play their part"⁶⁹. Such a development would represent a major change in the disassociated relations and low role allocated to local politics in the Labour Party since the 1930s.

⁶⁶ Gyford 1980a p30

⁶⁷ Gyford 1980a p31

⁶⁸ Gyford 1980a p31

⁶⁹ Gyford 1985 p111

Bassett argues that "serious attention is now being paid within the party, after a long period of neglect, to the connection between local government reform and socialist advance"⁷⁰. There has "been a growing emphasis on the importance of local politics within the Labour Party"⁷¹ and "many people have seen a more substantive shift in Labour policy"⁷². Obviously to some extent this has been dictated by political realities and tactics. Given the state of national Labour Party politics "the only real advances that Labour could make were in those areas and councils under Labour control rather than in Parliament"⁷³. The Labour opposition has turned to those parts of the state it continued to control for examples of alternatives in action. Also local socialism rests upon "a number of principles and values and involves an attempt to rethink some aspects of the Labour Party's view of socialism"⁷⁴. It is against this background of uncertainty and fragmentation of past orthodoxies that local authority ideas "appeared to be making headway in re-shaping Labour Party policy"⁷⁵. For instance the

"extent to which senior Labour politicians have then drawn on different facets of local authority work for their own purposes has given the impression of real policy impact: of both a new localism and a new national economic policy shot through with themes translated from the local domain"⁷⁶.

According to Bassett there appears to be a more serious concern with local democracy and a new perspective on local government emerging at national level from the following elements. First, the commitment of the next Labour government to remove restrictions on the freedom of local councils to initiate policy in response to local needs. This entails the removal of legal constraints on trading, lifting of capital expenditure limitations and leaving local authorities to decide on appropriate local taxation through rates. Second, calls for a local dimension to alternative, community and trade union plans. Third, proposals that would give local authorities a more active and interventionist role in the local economy through local planning agreements, municipal enterprise, coops and pension funds. Finally, recognition of the need for more participation and control at local level⁷⁷. This raises the prospect of a new relationship between central and local government with "elected councils becoming the means by which coherent industrial and economic programmes are built into plans for the national distribution of resources"⁷⁸. There is evidence for a local authority input in a number of policy areas. These include economic policy with Local Enterprise Boards, regional technets, and local jobs plans which were developed by 60 local

⁷⁰ Bassett 1984 p100

⁷¹ Plant 1986 p26

⁷² Batkin 1987 p14

⁷³ Plant 1986 p26

⁷⁴ Plant 1986 p26

⁷⁵ Batkin 1987 p15

⁷⁶ Batkin 1987 p16

⁷⁷ Bassett 1982 p13

⁷⁸ Blunkett & Jackson 1987 p206

authorities. There is also evidence that this impact may extend to other areas including the development of regional policy and planning, proposals for local government reform, transport policy, cable technology and some aspects of energy policy. However this leads to the issue of how far national policy has been localised by the new local initiatives in the 1980s.

There are differing interpretations of the evidence that aspects of national party policy have been localised by the new local initiatives. Three differing, but related, positions argue that the degree of localisation has been overestimated. The first argument accepts that local politicians have attempted to engage with the centre but the national party is still entrenched in a centralising approach with little interest in, and at best a very weak commitment to, new local forms of socialism⁷⁹. A second argument is that local impact is best seen as an aberration, based on a temporary coalition of forces that ended with the 1987 re-election of a Tory government and continued attacks on local government⁸⁰. Finally Saunders argues that local politics, empirically and theoretically, can have little impact on national politics⁸¹. Although these debates seem to reach differing conclusions about the impact of local party on national party strategy they are not a set of mutually exclusive positions. The first two arguments explicitly recognise that there has been an important change in the nature of the relations between local and national party even if this only applicable to the period from the early 1980s until the 1987. This supports the view that the disassociated nature of local-national party relations has been replaced by engagement which opens up the possibility of localisation of national policy. But even if the national party has positively resisted attempt to localise national policy the crucial point is that the local party has a significantly different role from that in previous periods. Saunders' position is based on a particular view of local government and politics but does not seem to fit the evidence of the 1980s. Local authorities have increasingly raised issues of national significance and while Saunders' view may have been relevant in the period when disassociated local and national party relations operated it does not now seem a useful distinction. The question still remains has national party policy been open to localisation?

CONCLUSION

Local socialism has at least challenged Labour's previously dominant strand of politics with its adherence to the imposition of socialism from above and created a "debate which has been submerged for nearly two generations, over whether socialism is to come from reform

⁷⁹ See Wainwright 1987a, Mackintosh & Wainwright 1988

⁸⁰ See Cochrane 1988a & b

⁸¹ Saunders 1984

from above or as improvement from below"⁸². But it is not clear to what extent local socialism in the 1980s has had an impact on national party policy as there is clearly a range of conflicting views and perspectives. There is a number of serious problems with the literature which make an assessment of the importance of local political units in national policy formulation extremely problematic.

During the early 1980s the debate was over the extent to which local socialism could provide an alternative to central government policies and impact on localities. It was generally concluded that local economic policies could not significantly restructure local economies and that their significance was of ideological and demonstration value. Consequently the debate did not specifically address the impact on national party policy although this was recognised as an important issue.

Although Gyford initially developed the concept of localisation of national party policy it was not linked to debate about the significance of local socialism. Instead the literature refers to the impact of local socialism in terms of its importance for all levels of the party, its role in demonstrating or prefiguring what a Labour government could or would do, creating alternatives to Thatcherism and past Labour policy, giving national policies a local dimension and the municipalisation of national policy. There has been a failure to address explicitly the issue of localisation and assess its impact on national party policy.

Most authors agreed that local socialism does mark a significant break with the past by opening up a debate on the role of local initiatives and their implications for national party policy. But there has been no attempt to relate the speculation on the significance of local socialism in the Labour Party to the literature on the role of the local level in the party structure. The debate on the significance of local socialism could have been related to theories on the role of local political units of the party in the overall party structure. Until the development of local socialism these theories argued that national party tended to dominate local party units or that the two levels of the party had a disassociated relationship. Clearly the development of local socialism mounts a challenge to these ideas and opens up the potential for using the party structures which link local and national party for transmitting demands and ideas to the centre. The literature on party structure explores the linkages between different levels of the party. This focus is almost entirely absent in the debates about the role of local socialism. There are limited references to local government politicians being represented on national party committees but the influence of the local party has not been analysed.

⁸² Plant 1986 p32

There is a need to begin linking these different but related debates together to make an assessment of the local impacts on the national party. This would include assessing the potential for localisation and the mechanisms used to influence the national party. Unfortunately existing assessments of the potential of localisation are assertions, not based on in depth study and contradictory in their conclusions. This is a result of the failure to carry out in depth studies of the role of particular policies, localities and the mechanisms of interaction between local and national party's since the disintegration of disassociation.

CHAPTER 3 RESEARCH ISSUES AND METHODOLOGY

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INTRODUCTION

This chapter outlines how the theoretical analysis, themes, issues and debates, developed in the previous two chapters can be brought together in a research strategy which examines the localisation of national Labour Party policy through a case study of CHP/DH technology. First, the concept of localisation is developed further drawing on the initial conceptualisation developed by Gyford. Second, a series of research issues is discussed including the research design and the adoption of an intensive case study approach. Third, there is an examination of the criterion for the selection of CHP/DH and the detailed research questions outlined. Fourth, the qualitative research methods selected are outlined, the validity and reliability of the research evaluated and the fieldwork described. Finally, the conclusion sets out the framework for the rest of thesis.

LOCALISATION

The period from the mid 1970s created the opportunity for new types of relationship between local and national Labour Party, no longer based on the principle of the dual polity and disassociation between the two levels of the party. The evidence suggested that in certain localities and over particular issues disassociation became replaced by engagement, opening up the potential for a new form of relationship between local and national party. Although the concept of localisation was developed in 1980 by Gyford it was not taken up and developed further in either theoretical or empirical studies. Rather research tended to focus on the potential of local authority initiatives to restructure for labour at the local level. Most of these studies concluded that the economic and political constraints on local initiatives overwhelmed their local impacts. However a secondary conclusion was that their importance lay in the implications for the development of national Labour Party policy. But there was no attempt to link this proposition to the debates and theories about the role of the local party in the overall party structure and the potential use of the interface linking the two levels of the party for the localisation of national party policy.

The concept of localisation needs to be disaggregated and developed further from the initial conceptualisation developed by Gyford. There are two points which need further clarification and development. First localisation refers to a political process between local and national levels within the Labour Party. A problem with the analyses examined in chapter 2 is that the impact of local on national party is often seen in terms of a "blackbox" because the process of localisation is not traced through the structures in the interface that link the local and national party. Consequently there is talk of "crossing the river" between

local and national party rather than an examination of the specific mechanisms through which local demands are transmitted to the national party. A wide range of mechanisms and structures link local and national party and their utilisation could be expected to vary depending on the specific issue and particular locality forming the relationship with the national party. Second the concept of localisation can have a wider variety of meanings than the divisions developed by Gyford in 1980. It is possible to develop a more extensive categorisation by building on the experience of local Labour politics since the early 1980s and those who argued that local initiatives had implications for national Labour Party policy. Therefore the following typology was developed.

New National Policy Formulation

This involves a formal local party role in the formulation of new types of national policy through the use of the interface linking the two levels of the party. This could take a number of different forms:

New Policy Innovation: a new policy or issue not previously covered by national policy.

Spatial Dimension: giving an existing policy a local or regional dimension.

Municipalisation: ensuring that national policy provides or encourages local authorities to implement policy and initiatives rather than central government or other agencies.

Strategy: encouraging the national party to adopt particular positions on issues/policies of interest to local and national party in parliament, select committees, speeches etc.

Lobbying: using contacts with national party to lobby for changes or dispensations on behalf of a particular locality.

National Guidance: approaching the national party for information/guidance about locating local policy within a national framework.

Local Demonstration

Local demonstration is the action of local parties developing policies and initiatives as demonstrations of policies that could be implemented by a future Labour government. It does not necessarily entail an interface with the national party since the local party can develop demonstration policies locally without explicitly attempting to change national party policy. But implicit in this type of political activity is the idea that local policies provide models of the type of national programmes that need to be undertaken by the national party. These demonstrations are then also available for other groups to use as a basis from which to attempt to influence national party policy.

The concept of localisation of national policy has a range of meanings which are not mutually exclusive. The point of differentiation is whether or not the interface linking the two levels of the party has been utilised to attempt to affect a change in national policy. In the

first category the use of the interface is clearly crucial for the transmission of ideas, experience and demands to the national party. In the second category the aim is to develop policies as examples and demonstrations of initiatives that could prefigure the type of policies that the national party could take up in opposition or implement in government. However the interface linking the local and national party is not necessarily used to transmit these experiences to the national party. Using this conceptualisation of localisation and the theories, models and concepts developed in the previous chapters the aim is to develop a research strategy to explore some of the issues, themes and debates raised over the localisation of national policy by local units of the Labour Party.

RESEARCH ISSUES

The research project focuses on the extent to which information, ideas and demands stemming from local Labour technology policy experience and needs, can impact on the development of national Labour Party technology policy. This entails a set of three interrelated research issues.

First, why have local units of the Labour Party developed local technology policy?

Second, what is the nature of the interface between local and national party over technology policy?

Third, to what extent has national party technology policy been subject to localisation by local units of the Labour Party?

Localisation represents a new form of relations between local and national parties and given the absence of a readily available body of existing theoretical and empirical research tightly constructed hypotheses and definitions were deemed inappropriate. Although an attempt was made to develop a body of theory around the concept of local - national party relations and localisation the research was concerned with theory generation as well as theory testing. As the research was essentially exploratory in nature careful thought had to be given to the type of research design developed and the methods used. The research design was developed by reference to two separate but interrelated levels of analysis. First, at the extensive level the changing political context, content and structures of national - local Labour Party relations. Second, an intensive technology policy case study as it arises at local level and intersects with national Labour Party policy.

At the extensive level the aim was to examine common properties and general patterns. It was argued that there has been a general change in the nature of Labour Party local-national relations with the increasing importance of local political input into national party policy formulation. This conclusion was based on an analysis of secondary sources

including articles, books, periodicals, press, speeches, reports, and Labour Party policy documents. A model of Labour Party structure was generated, the mechanisms linking local and national party identified, and competing theories about the changing nature of relations between the two levels of the party were examined. The main focus was on the move from disassociation and nationalisation towards engagement and localisation. Such changing political relations within the Labour Party were rooted in wider economic and ideological developments and their implications for the British political system. A major criticism of the literature was that the debates took place at a broad general level with relatively little discussion of specific issues linking local and national party or an examination of the role of particular localities in the interface. Consequently it was decided to analyse the process of localisation through an intensive case study. The intensive research focus concerns how the causal mechanisms and processes of localisation work over a specific issue and through particular places. Such a focus entails examining how the general processes identified in the extensive research work in a concrete case study of one technology policy issue. Case study analysis uses less formal, less standardised and more qualitative forms of analysis including semi-structured interview techniques. The objects of study are groups whose members may be similar or dissimilar but which relate to one another in a causal process. I examined certain localities and their relationships with the national party in an attempt to identify causal mechanisms between the two levels over the process of localisation. The two types of research design are complementary. In isolation extensive methods lack explanatory penetration because the relations they discover are formal, rather than substantial causal relations of connection. The use of intensive methods can identify specific causal relations and the agents who enter into them. For these reasons the intensive design is the primary research method in this project.

The case study approach was selected for a number of reasons. The case study methodology is a well established method in the social science when the research aim is to understand causal reasons for change. The use of a case study is particularly suitable when the emphasis is on process as it enables the researcher to trace the complexity of developments and gain insights into actors, and institutions, actions and strategies. A case study approach provides a methodology within which a variety of research techniques and methods can be utilised. It is possible to gather a range of evidence using interviewing, primary and secondary documentation. Finally, the approach allows the examination of an issue in depth as it is used to gather evidence systematically, concerned with the interaction of factors, actors and events and is able to take account of local detail and differences. The case study provides the most reliable and valid research approach for examining the issue of localisation as it focuses primarily on causality rather than general patterns. A recurrent

issue in the use of case studies is the extent to which the results are representative and generalisable to the whole population. Much of the criticism of case studies' reliability and validity has been based on the misconception of the basis from which it is possible to extrapolate from one case study to the social process in general. The "validity of the extrapolation depends not on the typicality or representativeness of the case but upon the cogency of the theoretical reasoning"¹. The technology policy case in this study is not designed to be representative or generalisable and deals with relations between characteristics and phenomena which are specific and are not likely to be generalisable to other localities or issues. However it is possible to compare within the technology policy case study as comparisons can be made between the localities in the study. For instance how was the technology perceived in the different localities, why and what mechanisms were used to form an interface with the national party and what type of localisation resulted?. But it is not possible to generalise from one technology policy issue to others and in this sense the case is not generalisable. Even so the study with its focus on the causal relations of localisation can make a contribution to the theoretical and empirical understanding of the process of localisation which can be applied in other case studies. The case study method with its focus on understanding causal relations and the use of different research methods provides an extremely powerful research strategy.

TECHNOLOGY POLICY SELECTION: CHP/DH

The selection of a technology policy provided the focus of the research project. A number of different types of local technology policies and initiatives have been developed at local level. The implementation of these policies required the support of central government which was not forthcoming from a hostile Conservative Government and there was evidence to indicate that certain localities had attempted to influence the development of national Labour Party policy over these issues. One technology policy was selected to explore the relations between local and national party with the aim of examining the process of localisation. Technology policy selection and the identification of localities raising the issue went hand in hand. A series of criteria was developed for the selection of a technology policy. These were that:

The issue had been raised by Labour localities.

The issue was of interest and concern to national party policy.

There was some evidence of a linkage between the two levels of the party over the issue.

The interaction had the potential for the localisation of national party policy.

¹ Mitchell, 1982 p207

A number of technology policy issues fulfilling these criteria were identified at the extensive stage of the research from information obtained through documentary research and literature sources. The decision was taken to select Combined Heat and Power/District Heating (CHP/DH) energy production technology as the focus of the case study. The detailed rationale and explanation of the selection of this technology and the three particular localities promoting CHP/DH are discussed in depth in Chapter 4. At this stage it is useful to summarise the main reasons for its selection.

CHP/DH is a relatively well-bounded technology policy issue.

Local authorities must be involved in the implementation of CHP/DH.

Three particular localities, Sheffield, Newcastle and London, have been exemplary in their promotion of the development of CHP/DH.

For technical and institutional reasons the implementation of CHP/DH requires a supportive national policy framework.

Due to the constraints on local CHP/DH policy these three localities have developed an interface with the national Labour Party over the issue.

This interaction has created the potential for the localisation of national party policy. The Labour Party has since 1982 adopted a number of policies supporting CHP/DH schemes.

CHP/DH was an issue which linked the local and national party. It was selected because it was a technology over which there was evidence to indicate that some form of localisation might have taken place and not because it was considered generalisable or typical of technology policy issues linking local and national party. CHP/DH provided a case where localisation was likely and provided a good vehicle through which the issues could be explored. If CHP/DH has not been subject to localisation what technology would be! The thesis addresses three related research questions.

First, why have Labour localities developed policy for CHP/DH?

- Why are Sheffield, London and Newcastle interested in CHP/DH?
- How does local CHP/DH policy provide a model or demonstration of national Labour Party CHP/DH policy?
- What factors lead these local authorities to seek access to the national Labour Party?

Second, what is the character of the interface that has been developed between the local and national party over CHP/DH policy?

- What is the degree, nature and content of the interaction?
- What forms of localisation are local authorities proposing?
- What mechanisms and structures are used for the interface with the national party?

Third, to what extent has there been localisation of national Labour Party policy for CHP/DH?

- What is the response of the national party to local demands over CHP/DH?
- What is the impact of local demands on the national party in terms of the different types of localisation?
- How are relations affected by the party being in and out of control nationally?

QUALITATIVE METHODS

A combination of qualitative methods was used in the research. This focused on two approaches, the use of primary sources and the semi-structured interview technique. Extensive use was made of primary sources including newspapers, committee reports, letters, memos, policy documents and meeting notes. The research benefited from the open access given in the local case studies to documentary sources². This information was extremely useful for uncovering issues that could be raised in interviews and providing a source against which to assess the validity and reliability of interview material. But in using these sources it was important to recognise that the information had been prepared for a particular audience and was concerned to achieve certain objectives. For instance meeting notes often failed to acknowledge the degree of conflict over a particular issue when compared with the actors' own interpretations of the meeting. This understanding assisted in the critical interpretation of primary sources.

The research project found that the traditional textbooks' treatment and recommendations for interviewing as a basis for data collection "cannot and does not work in practice"³. Traditional approaches stress such values as objectivity, detachment, hierarchy and science. The interviewer is instructed to remain detached, adopt a mechanical role of question asker and response recorder. The respondent is expected to adopt an essentially passive role and answer questions without asking them of the interviewer⁴. It is difficult to realise the traditional perspective in practice especially when examining processes and causality. Although the textbooks describe an alternative less formal type of interview for use when subjective issues are concerned this is implicitly, and some times explicitly, considered to be less reliable, less objective and calls for the departure from "normal" methods. The implication is that data collected from interactive interviews is less reliable than that collected through other techniques. This contention must be rejected. What is more important is how the data is used to capture detailed descriptions and analysed to construct explanations of particular events.

² See Appendix 2 for a list of documentary sources.

³ Oakley 1981 p31

⁴ See Sjöberg et al 1968 & Open University.

A methodology was needed which used alternative characteristics including interviewer involvement with interviewees and a sensitive interactive respondent interviewer relationship. The semi-structured interview technique was selected as it combined the richness and interactive nature of an interview within the context of a prepared set of structured questions. A check-list of questions was prepared to ensure that all the interviews covered the necessary areas but this was based on the respondents' own areas of knowledge, perceptions of their role, opinions and insights in to the processes under study. The interviews were an interactive social process and by being less formal and less standardised there was a much better chance of learning from the respondents what the different significances of circumstances were for them. It is important that structures, such as local and national party, should not be regarded as "out there" but as permeating individuals and the relations between them.

When using intensive methods the aim is too seek corroboration through triangulation rather than attempting to select a "representative sample" of respondents. The respondents to be interviewed need not be typical but "specific, identifiable individuals are of interest in terms of their properties and their mode of connection to others"⁵. They can be selected one by one as the research proceeds and information on and understanding of the causal group is developed. The issue of too much detail should not be an issue in intensive studies because "individuals who do not interact with the group of interest can be excluded even where, on taxonomic criteria, they would have to be included. Precisely because causal groups are selected, the "logic of the situation" is often relatively easy to discover"⁶. Consequently the respondents for the CHP/DH case study were selected through a combination of identification before the interviews and the identification of further respondents during interviews⁷. Through an analysis of secondary sources the initial selection was made on the basis that respondents had played a role in the phenomena under study. Each respondent was interviewed on the basis of their specific role, expertise and knowledge of the phenomena under study.

The selection of the semi-structured interview method raises a set of problems. These focus on three issues. First, construct validity where the respondent and interviewer may have totally different ideologies and ways of seeing the world which limit their communication and understanding of the issues discussed. Second, the issue of consistency when the respondent's image of the events may be inconsistent and contradictory. Finally, the problem of stability when respondent's interpretation of the events

⁵ Sayer 1984 p221

⁶ Sayer 1984 p225

⁷ See Appendix 1 for a list of interviews.

may change markedly over time. It is necessary that the concepts and definitions used in the interviews were readily understandable to respondents. Information from each locality and secondary sources was used to guide definitions of concepts and if necessary these were further clarified in the interviews. In this way checks were made against secondary sources and copies of the interview notes made available to the respondent for comments. For any interview to provide a successful explanation it is important that the interviewer and the respondent use the same conceptual frameworks so at least the interaction is mutually intelligible. However, differing imagery is a problem that must be recognised and through this recognition the respondents' varying images can at least be identified. The internal consistency of a respondents' interpretation within an interview can be checked through asking the same question in different ways. If replies were contradictory this was either pointed out to the respondent or the contradictory interpretations cross-checked with other respondents using a technique known as external consistency. The issue of stability was difficult to resolve and there are no immediate solutions except using a combination of careful background research, cross checking and checking both the internal and external consistency of the statement.

The application of qualitative research methods raises a number of difficulties about the validity and reliability of the research design. Consequently the process of research needs investigation and there are a number of methods to assess the quality of the research design⁸. The first aspect of the research design is external validity. This relates to the extent to which the research findings can be related to localisation of CHP/DH and the theory. The use of three localities in the case study and the search for comparative cases in the secondary sources added to the ability to relate the case study findings to the theory. The second criterion is the reliability of the data collected. The aim was to converge on the same set of events from as many points and perspectives as possible. Comparative analysis is an extremely powerful tool which can be used in an analysis of particular local respondents and between them across the whole case study. The aim is to test the validity of individual respondents' interpretation and test their external consistency against other views. This has the capacity to identify differences and suggest general features. This form of corroboration is known as triangulation. As Sarre argues interviews need to be interrogated and extended from a number of different points of view⁹. This includes comparing the interview with other data available from sources such as committee reports, letters and memos. It was also possible to compare the processes identified in one locality with those found in other localities. Finally, there is the problem of overcomplexity. With a

⁸ Yin 1984

⁹ Sarre 1987 p6-7

large number of interviews it is possible to be overwhelmed with information. By looking at actors in contexts which are causally relevant to them and examining what they actually did the logic or structure behind what seem complicated patterns should become clear. However where the problems of consistency and stability cannot be overcome, then the differing interpretations of the events need to be acknowledged. And as Sayer argues in some cases. "in assessing the adequacy of various explanations offered by different groups of their activities, we inevitably have to judge which of these are more or less correct"¹⁰.

Throughout the research a series of activities proceeded concurrently although the emphasis varied according to the different stages of data collection and analysis. The collection of secondary sources continued throughout the research while the fieldwork in the three local level studies took place sequentially over a specific period. It was decided to spend time in each locality undertaking interviews, collecting primary and secondary sources. Sheffield acted as the pilot study through which to assess the conceptual framework, interview schedule and research issues and problems. In each locality the initial respondents were contacted by letter and then telephoned to arrange an interview. Further respondents were identified in the initial interviews and contacted for interview. No one approached refused to be interviewed. The interviews lasted for approximately 1.5 hours, were recorded both on tape and through notes and all respondents were offered confidentiality and anonymity although this was very rarely taken up. In Newcastle and Sheffield access was made available to extensive local authority documentation. There was a problem with the London case study because of the abolition of the GLC in April 1986 before the fieldwork was started. However it was possible to trace the important actors and one individual allowed access to their own archive of material on the GLC's activities on CHP/DH. There were also the GLC's extensive library sources for which access was still available. During the fieldwork in each locality the opportunity was taken to use library resources, newspaper archives and any other material which was available. For instance the Trade Union Studies Information Unit (TUSIU) in Newcastle provided an important source of material. The local case studies were marked by the freedom of access given to examine primary sources and the willingness of all the actors to provide information and be interviewed. This provided a rich and high quality set of data on each locality for later analysis and synthesis.

¹⁰ Sayer 1984 p214

CONCLUSION

The thesis adopts the following structure. Chapter 4 shows how CHP/DH is a policy issue which links the local and national party. It presents evidence to indicate that of those local authorities interested in the issue Sheffield, London and Newcastle have developed a linkage with the national party which may have led to the localisation of national Labour Party CHP/DH policy. The next four chapters address research questions one and two as outlined above. Chapters 5 to 7 analyse the development of CHP/DH in each of the case study localities focusing on reasons why an interface with the national party was developed, the content and structure of the interface and the types of localisation being proposed. Chapter 8 examines the joint local authority initiatives that were developed and their linkages with the national party. Chapter 9 takes the study to the national Labour Party and examines question three. The chapter analyses the impact of the local linkages on the development of national Labour Party policy for CHP/DH and assesses the extent to which policy has been subject to localisation

CHAPTER 4 COMBINED HEAT AND POWER/DISTRICT HEATING

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INTRODUCTION

The chapter is divided into five sections. First, an assessment of the key characteristics of CHP/DH technology and a review of CHP/DH development from the mid 1970s. Second, an analysis of the reasons for local authority interest in CHP/DH and an examination of those local authorities active on the issue. Third, an analysis of the structural and political constraints on the introduction CHP/DH and the potential created for the illustration of national CHP/DH policy alternatives at the local level. Fourth, an examination of the implications of the constraints on local CHP/DH policy for the development of an interface between the local and national Labour Party and the potential this created for the localisation of national Labour Party CHP/DH policy. Finally, in the concluding section an outline is given of the approach taken in the case study chapters.

CHP/DH: A REVIEW

CHP/DH is a very mature technology developed in the late nineteenth century, it is widely used and has been well tested in continental Europe. Consequently the "engineering of CHP/district heating schemes is now very well established and there would be little technical risk in introducing them into the UK"¹. Combined heat and power (CHP) energy production technology and district heating (DH) networks are widely recognised as offering the potential for substantial energy savings and wider economic and social benefits. In spite of these benefits CHP/DH is not widely used in the UK. Its application is restricted to a limited number of municipal DH networks and several hundred small industrial CHP schemes. In consequence CHP/DH provides only a small fraction of the UK's total energy requirements. The key feature of CHP/DH technology is the ability to produce and distribute both electricity and heat². CHP power stations have the following features:

- an electricity generating system based on a thermodynamic cycle (includes heat) that can be fuelled by coal, oil, gas, uranium and waste.
- a slight reduction in the efficiency of the electricity generating process (the last set of turbines is removed) so that heat can be collected at a useful temperature in the form of water or steam.
- a 60% to 70% utilisation of the energy input.

District Heating's essential feature is:

¹ DEn 1977 p11

² See MacKenzie-Kennedy 1979, Limaye 1985, Lucas 1977 and Orchard and Sherratt 1980 for technical examinations of CHP/DH. There is also a substantial amount of technical information available, from abroad, through reports published by the Department of Energy, the House of Commons Energy Select Committee and the Sizewell Inquiry evidence.

- a distribution network of insulated pipes for supplying heat, in the form of water or steam, to local domestic or industrial users.

A DH network does not necessarily depend on CHP as it can also be supplied by a heat only (HO) boiler. Without a DH network CHP power stations cannot distribute heat to users and the most efficient system is a combination of CHP and DH. The technical capabilities of CHP/DH have three important consequences. First, CHP supplies more useful energy than conventional power stations. Second, DH networks can best provide useful heat to relatively densely populated urban areas. Finally, the integration of CHP/DH technology within the existing technology of the Electricity Supply Industry (ESI) raises serious difficulties.

Energy Efficiency

The Watt Committee commented that "seldom has there been such a unanimity of view on the advantages of pursuing a particular technological solution to the problem of achieving very substantial energy savings, departing in a major way, as does the CHP concept, from established practices in the production of electricity"³. CHP/DH provides two routes to energy conservation, an increase in the efficiency of energy production and a reduction in energy demand.

First, the key to increased energy efficiency is the improved energy conversion ratio of CHP/DH over conventional electricity generating technology. Conventional power stations, whether fuelled by coal, oil, gas or uranium, use heat to produce steam which drives turbines generating electricity. It is an inevitable consequence of the second law of thermodynamics that when this heat is used to raise steam for turbines to generate electricity only 35% of the energy is converted into electricity, the rest currently being rejected into the environment at low temperature. Power stations are designed to produce only electricity with the result that 65% of the energy input is ejected into the environment, in rivers as lukewarm water at 15 to 35°C and through cooling towers radiating the heat into the atmosphere. Two out of every three tons of coal burned by the ESI is rejected as waste heat equivalent to 60 million tons of coal costing £2,603M at 1983/84 prices. As this substantially exceeds the entire heat requirements of all industrial and domestic consumers "there can be few, if any, technological processes more wasteful than the generation of electricity"⁴. In a CHP power station 52% of the energy output is drawn off from the generating process as heat at useful temperatures from 80°C to 140°C. Slightly less electricity is produced, typically 28% of output, but only 20% of the energy input is ejected

³ Watt Committee 1983 p49 in evidence to House of Commons Energy Select Committee

⁴ Financial Times 28/4/83

as waste. The precise amount of electricity produced depends on the temperature the heat is drawn off at; the hotter the heat required, the greater is the reduction in electricity production. This gives a CHP station an efficiency typically above 70% compared with the conventional power station of no more than 35%. Second, CHP can not only produce heat and water more efficiently than conventional methods but it also encourages a reduction in the consumption of high grade electricity for such purposes⁵. Approximately 55% of all the UK's delivered energy supplies are used to provide low or high temperature heat mainly for space and water heating and in the domestic sector more than 80% of energy supplied is for these purposes⁶. Heat from CHP/DH releases some electricity being used wastefully for space and water heating. Consequently demand for electricity falls and the electricity produced is used for more appropriate purposes such as lighting and powering motors. CHP/DH technology provides substantial energy savings by displacing other sources of low grade heat such as oil and gas.

There is a widespread recognition that CHP/DH technology could save substantial amounts of primary energy. Translated into savings in national energy usage these range from about 4% to over 12%. "CHP from large modern power stations would undoubtedly save energy"⁷. Energy Paper 20 suggested that CHP/DH might supply heat to 25% of UK dwellings and the saving in primary energy is equivalent to 15mtce or 5% annual UK energy consumption. Energy paper 35 showed that the potential of CHP/DH could be 30% of the total heat load equal to 9% current energy requirements producing savings of 15-21 mtce/year. The overall effect of a CHP/DH programme would be reduction in the demand for all fuels. There would appear to be immediate benefits from CHP for the coal industry through increased demand but a reduction in demand for gas, oil and electricity. It is estimated that in the medium to long term that CHP/DH is economically attractive when it could be the cheapest method of heating British cities⁸.

DH Network

A CHP power station makes use of the heat produced by distributing it through a network of pipes in a DH network to consumers⁹. There is a crucial technological constraint on these networks. The heat source and consumer must be close together to prevent high heat losses from the distribution network. "Technically, a CHP scheme for district heating is independent of any similar scheme in the next city. There can be no national hot water grid

⁵ See Beaumont & Keys 1982 p93-94

⁶ Leach et al 1979

⁷ DEn 1977

⁸ See Wright 1980 & DEn 1979

⁹ See Robinson 1980 for different types of network, costs, layout, pipe type and heat temperatures.

in the sense of the electricity or gas grids; and marketing of heat is wholly local"¹⁰. The heat distributed in a DH network is only useful if there is a demand for heat near to the CHP station. The basic requirement for an efficient CHP/DH scheme is that the "correct (spatial) mix of heat and power demand must be present in the area that the scheme will serve"¹¹. Consequently the successful development of CHP is related to specific local characteristics and circumstances. CHP/DH economics are very sensitive to dwelling density because of the high costs of installing the heat distribution network. The "ideal heat market would be one enabling large quantities of heat to be sold in a small geographical area, without the need to transport the heat long distances to scattered points of use"¹². There is an inverse relationship between density and network costs and the economics are most favourable in areas of higher density¹³. The potential heat load is "completely dominated by the large cities" and it is in these areas that CHP/DH can be used to advantage¹⁴. Greater London contains 50% of the potential heat load, the West Midlands, Greater Manchester, Merseyside, Glasgow and Tyne and Wear contain 29%, and the 10 largest cities contain 87%¹⁵. The greater number of smaller cities does not at all compensate for their smaller high-density heat loads. The technique can be economic in lower density areas but this is dependent on its initial development in high density areas and subsequent extension into suburbs and rural areas. However the high density urban areas containing the bulk of national heat demand would be most suitable for the implementation of CHP/DH technology. These areas are nearly all controlled by Labour local authorities. Within urban areas there are two markets for heat industrial and domestic and many potential users of heat are under local government control. Consequently

"The cooperation of local authority housing authorities (district councils) and those authorities responsible for local administrative buildings, schools, colleges, social amenities, highways, refuse disposal etc (metropolitan and county councils), is however essential, not only for the provision of heating but to lend their powers to facilitate the progress of planning, routing of mains, easements, compulsory purchase, street closures and traffic planning, coordination of services of statutory undertakers etc"¹⁶.

Integrating CHP/DH into the ESI

As CHP/DH produces both heat and electricity contradictory objectives need to be reconciled; the supply of heat to the local population in the quantity needed and at the times needed; and, the supply of electricity to the National Grid in such a way that the overall

¹⁰ NEI 1981 p356

¹¹ Beaumont & Keys 1982 p3

¹² Open University 1982 p57

¹³ See Owens 1987 p175 & 1986 p52-55

¹⁴ Cassels 1980 p52

¹⁵ Cassels 1980 p52

¹⁶ Huxford 1977 p124

effectiveness of the grid is not prejudiced¹⁷. Taking the first objective, a CHP station would be the principal source of heat for its customers. As there can be no national heat grid the CHP station is required to provide heat to local markets. However heat and electricity demand do not coincide. For instance in the domestic market electricity demand is roughly even throughout the year as electricity is not required for space heating. Heat demand is very variable, being low in the summer and high in the winter. There are technical methods to meet these two demand curves, the most practical being the Intermediate take-off condensing turbine (ITOC) which can vary heat and power output. But the problem remains of meeting the second objective - the incorporation of a variable electricity output from CHP into the national grid.

The national grid was developed to link power stations both to provide emergency cover and reduce the need for standby equipment. After the grid's completion power stations were no longer seen as supplying a particular district but as feeding the national grid. This had a number of important consequences: the location of power stations was no longer determined by local electricity demands and a relatively small number of very large power stations could feed the grid. The power stations supplying the grid are ranked in the merit order of their operating costs and the station with the lowest cost per unit of electricity heads the list. As demand for electricity increases the more expensive power stations are brought into use to supplement the output of the more efficient base load stations. The ESI is required by statute to produce electricity at the lowest possible costs so the merit order is extremely important. But it is difficult to integrate CHP stations into the national grid and allocate them a position in the merit order because their production of electricity is so variable.

The basic problem is the relationship between different energy production technologies and the institutional frameworks required for their implementation. Conventional power stations, supplying the national grid, operate to meet national demand according to their position in the merit order. The way in which a power station operates is not closely related to the geographical electricity demand of a locality except in so far as local demand contributes to total national demand. This contrasts with CHP/DH technology which is required to supply heat to local markets whenever it is demanded. Electricity production is then extremely variable and cannot be simply fed into the national grid. "The crucial problem is that the dynamics of bulk electricity supply and of CHP are not necessarily the same"¹⁸. CHP/DH could be integrated in to the ESI but this would require the close cooperation of the industry. However, most sections of the ESI are extremely resistant to CHP/DH arguing that it is not

¹⁷ *Open University 1982 p84*

¹⁸ *Rudig 1986a p111*

within their remit to develop the technology. If CHP/DH is to be implemented on a wide scale institutional re-organisation of the centralised ESI would be necessary. As Rudig argues "such a reform would have to strengthen the local tier of energy supply, ideally by giving it crucial coordination and planning competence for the whole range of energy sources"¹⁹. It would be "difficult to envisage how CHP could be implemented without, in any given area, at least the tacit support of the local authority"²⁰. The Marshall Report stated 5 reasons for a local organisation's involvement in CHP/DH:

- to set local aims and objectives for CHP/DH consistent with national guide-lines.
- to coordinate all local interests.
- to provide for the design, operation, distribution, marketing and billing of heat.
- to exercise clear executive responsibility for each scheme.
- to be accountable to the consumer.

Local authorities must be involved in the development of CHP/DH. This would require strong central government action to decentralise control of energy supply to the local level. The technical capabilities of CHP/DH have important linkages with localities. First, the technology is most suitably developed in large cities. Second, its introduction requires central government action to decentralise control over energy production from the centralised ESI to local level. Finally, local authorities need to be closely involved in the implementation of CHP/DH.

CHP/DH is not a new technology. It has a long history and many of the technical problems involved in its implementation were identified and solutions found in the late nineteenth century. But the technology has not been widely used in the UK and consideration of its application has been largely ignored and written out of histories of the ESI even when the technology has been central to debates²¹. The 1973 oil crisis and energy price rises led to the reconsideration of city-wide CHP/DH as a potential energy saving technology. The activity in this period divides into two phases. First, up to 1979 in which there was general discussion and appraisal of CHP. This coincided with a Labour Government. Second, after 1979 when a major national assessment of CHP/DH was published and more programmatic and site specific investigations were begun under a Conservative administration. There was a significant professional and public debate on energy policy issues in the mid 1970s which resulted in a national assessment of the potential of city wide CHP/DH. The Central Policy Review Staff (CPRS) recommended a "comprehensive study of combined energy schemes...as a matter of urgency" (see chapter 9). Consequently the Labour Government

¹⁹ Rudig 1986a p114

²⁰ Green 1987

²¹ The historical development of CHP/DH and its exclusion as a technological option by the ESI is discussed in Russell 1986. See also Rudig 1986a & b and Atkinson 1983, 1986a & b and 1987a & b.

set up the Marshall committee in 1974 to consider "the economic role of combined heat and power in the UK and to identify technological, institutional, planning, legal and other obstacles to the fulfilment of that role and to make recommendations". The group set up three working parties to consider economics, high density heat loads and industrial CHP. The DH study was published in 1977 as Energy Paper 20. The central conclusion was that although CHP schemes would undoubtedly save energy with "present fuel prices and availability, and with a 10% discount rate, there is no economic incentive to pursue such schemes in the UK except in particular circumstances"²². But in the longer term with fuel price increases it could be economically attractive and consequently an early start was required for CHP/DH to play an important role in energy supply by the end of the century. It was recognised that without strong central government support CHP would not develop to any significant extent. The final report of the group was published in 1979 as Energy Paper 35 and was more enthusiastic about the medium to long term economics of CHP/DH. The report recommended that one or more lead city schemes be started as soon as practicable, even though the economic incentive was absent in the short term, and a National Heat Board be established to promote the development of schemes with local organisations.

In April 1980 the Conservative Government gave a cautious welcome to EP35. Although the DEn rejected the concept of a Heat Board they accepted that the viability of CHP/DH could only be determined by detailed feasibility studies of specific locations. The DEn announced a two stage programme of work. The first stage would examine the prospects for commercial viability of a major lead scheme, compare the most favourable locations and clarify related issues that would need to be considered in any decision to proceed. The second stage would produce a full financial engineering and organisational proposal for the one or two most appropriate locations.

The areas investigated had to have the enthusiastic support of their constituent local authorities. Twenty-four local authorities in fifteen areas expressed interest in participating in the DEn programme. W.S Atkins were appointed to perform a pre-feasibility study to identify the 4 - 6 sites most likely for a CHP/DH scheme. In December 1980 Atkins presented their Interim Report short-listing 6 cities, Glasgow, Newcastle, London, Sheffield, Belfast and Liverpool for the next stage. Three authorities, Lothian RC, Manchester and Leicester persuaded the DEn that they should be included on the short-list. In March 1981 the Government announced that due to the high level of interest it would be appropriate to undertake detailed feasibility studies in all nine areas.

²² DEn 1977

The next phase involved detailed engineering studies, market surveys, site identification and plant configuration in the nine areas. Atkins reported in July 1982 that all nine sites were technically feasible and commercially viable. The schemes ranged from 400MWth to 1100MWth with capital costs from £346m to £825m; they would provide heat at 10% below the cost of the next cheapest alternative; and, show rates of return at or above 5%, although the ESIs demand forecasts and future nuclear programme would affect the economics strongly. The report was significantly more favourable than EP35. Atkins found it difficult to select one or two locations from the nine cities and recommended the preparation of full project plans for two or three sites showing the higher rates of return. Belfast, London and Edinburgh would be the best prospects.

It took nearly two years for the Government to respond to the Atkins report. The delay was widely seen as indicative of the Government's reluctance to support further work and their embarrassment about the favourable findings of the detailed feasibility studies. In April 1985 the DEn announced that the Government would support the preparation of detailed studies and prospectuses for three cities providing £250,000 for each to be matched by a consortium in each area. The Government made it clear that the extent of private sector involvement was to be the major criterion in selection. This was part of the Government's policy of introducing the private sector into energy production. The nine lead cities were given four months to produce a local proposal. In January 1985 the DEn announced that funding would be provided for Leicester, Belfast and Edinburgh. It was suggested that Leicester, which had one of the lowest rates of return, was selected so that it would not compare favourably with that of Sizewell B²³. Sheffield and Newcastle continued to work on local CHP schemes outside the Government programme. However local progress towards the development of CHP/DH schemes has been slow. Sheffield started a small HO/DH core only scheme; London and Newcastle were forced to abandon their proposals; and, Leicester, Belfast and Edinburgh had to put a halt on future progress.

LOCAL AUTHORITY ENERGY POLICY AND CHP/DH

Local authorities were extensively involved in municipal energy production from the late 1900s until nationalisation of the energy industries after the second world war. Municipalities played a key role in the development of energy utilities and in the 1940s local authorities were responsible for 66% of electricity and 50% of gas production²⁴. But after nationalisation in 1947 and until the early 1970s local authorities "had no connection or

²³ *Atkinson 1986a*

²⁴ *See Byatt 1979, Chester 1975, Finer 1941, Hannah 1979 & 1982, Sheldrake 1989, Smellie 1957,*

experience with energy policy" and energy production issues have almost exclusively been a policy issue for central government and the nationalised industries²⁵. However since the early 1970s energy policy has increasingly become a local as well as a national issue. A number of factors have led to this trend.

First, there has been local resistance to large scale and disruptive energy developments. These include proposals to site new coalfields, develop nuclear waste disposal facilities and plans by the Central Electricity Generating Board (CEGB) to build a series of Pressurised Water Reactors (PWRs) which was "perceived as economically disastrous in the long term by many local authorities"²⁶ in the coalfields. The problem is balancing the national need for energy with the local environmental, economic and social costs of an energy-related development which is spatially concentrated²⁷. Second, there has been increased pressure on local authorities to reduce their fuel bills. Local government spent approximately £700 million on energy in 1979, 4% of total energy consumption²⁸. Third, a local reaction against central government's failure to develop a national energy policy. Local authorities were critical of government's lack of commitment to energy conservation, the focus on economic objectives at the expense of social and welfare needs and the lack of accountability and interconnection of fuel boards with local authorities²⁹. Fourth, a local authority response to the problem of fuel poverty. Low incomes families spend a greater proportion of their income on energy and therefore suffer disproportionately when energy prices rise. These groups are often reliant on the most expensive forms of energy such as paraffin or electricity³⁰. Finally, various national campaigns on energy issues, such as the anti-nuclear movement and campaigns for coal, have taken on an important local dimension.

Since 1973 a wide variety of local energy initiatives have been developed³¹. Local energy policies have generated three types of approaches and programmes³². First, in the metropolitan, shire counties and urban district councils more comprehensive local energy policies were developed³³. Second, local community initiatives developed short term measures to alleviate the worst problems of fuel poverty. These varied from draught

²⁵ Rudig 1986b p131

²⁶ Ince 1984 p58

²⁷ See Owens 1984, Cope et al 1984 p292

²⁸ Sheldrick 1983 p2

²⁹ Matthews & Tridgell 1986 p44

³⁰ Raine 1980 p402

³¹ Matthews & Tridgell 1986 p42

³² CLES 1986d p3

³³ These are both widely acknowledged to be exemplary local energy policies and will be analysed in detail in the case study chapters. Since 1980 other organisations concerned with local energy policy developed initiatives, including LAMSAC, STECLA, SOLACE, NCVO and local authority associations.

proofing, loft insulation and advice on additional welfare benefits which were targeted at specific groups in social need. Finally, there were local conservation policies and initiatives aimed at cutting local authority expenditure on energy³⁴. The goals of local energy initiatives were diverse but included the provision of warmth at the cheapest price for consumers needs, minimisation of the need to use fuel, job creation and reducing pollution problems.

However "there are few powers at local level which explicitly encourage local initiative on energy issues"³⁵. The centralisation of energy policy at national level has led to many constraints on local initiatives³⁶. Local authorities were being asked to invest in energy conservation when overall expenditure was being cut. Central government energy programmes were non-interventionist, passive and lacked specific legislation to provide local authorities with positive powers to undertake energy conservation measures. Labour and Conservative governments failed to give encouragement to planning authorities to take energy considerations into account and the DEN has actually deleted energy related policies from several structure plans. In 1975 the DEN rejected a Select Committee recommendation that regional, transport and structure plans should consider the energy implications of their proposals³⁷. Local energy policies and initiatives are a marginal activity for most local authorities and those initiatives that exist tend to focus on a reduction in the local authority's own energy consumption. Most initiatives are isolated from wider social and economic policy issues such as tackling fuel poverty and employment creation³⁸. These initiatives do not fundamentally question the highly centralised producer orientated policies of the fuel industries and central . Instead they illustrate incremental measures to support those most disadvantaged and cut local authority fuel bills³⁹.

Most of the local energy initiatives have little to do with technology policy as the provision of energy advice and installing simple insulation measures "does not call for much by the way of technical expertise or new technological developments"⁴⁰. But if local authorities are to make further progress on energy issues significant shifts in technology will be required to move away from centralised producer led technologies to localised technologies which more closely meet consumer needs. Examples of possible technologies include heat exchangers, heat pumps, solar heating and electronic control as well as CHP/DH. A small number of local authorities "invested in more ambitious energy-saving ventures involving new

³⁴ See Sheldrick & Macgill 1984 & Sheldrick 1985b

³⁵ CLES 1986d p11

³⁶ Sheldrick 1983 p6

³⁷ Select Committee on Science and Technology 1975

³⁸ Sheldrick 1985a p156-157

³⁹ Sheldrick & Cooper 1987 p211-212

⁴⁰ CLES 1986d p40

technology"⁴¹. These included waste heat generation, methane production, wind power, heat recovery and geothermal production⁴². Projects include those of instance, Refused Derived Fuel (RDF) at Byker in Newcastle, geothermal energy in Southampton and wind power by Hull City Council. Two local authorities are active in the supply side through refuse incineration to produce electricity at Edmonton in London and heat in Sheffield. These initiatives have a number of benefits. They represent "an important alternative to an almost total reliance on national electricity grids and gas pipe networks"⁴³. Many are "pluralist and decentralised, and positively encourage social experiments in ownership and control" and are "firmly urban-based, and offer great scope for municipal enterprise"⁴⁴. Remunicipalisation of energy production could increase employment and reduce costs to customers. The technologies are less sophisticated, environmentally safer and conserve resources.

But there were problems with these approaches. Local authorities had to become involved in complex technological issues and choices. It was difficult to identify clear economic and social objectives for the differing technological options and the full implications of a particular technology were likely to be complex and contradictory. Most local initiatives failed to tackle these issues; they were fragmented, suffered from lack of commitment and resources and rarely had a social dimension.

However there have been attempts to create alternative energy technologies at local level which can be seen as "the technological development facet of a much broader process of local regeneration wherein a more direct link is established between local needs and acceptable working practices"⁴⁵. CHP/DH is "an emerging technology which local authorities are becoming interested in"⁴⁶. A number of localities have developed policies and initiatives with an important technological and social and economic component based around the development of CHP/DH. It is difficult to make generalisations about the emergence of interest in CHP/DH at the local level. There has been no central government attempt to encourage local authorities to develop energy policy and they have few powers in this area. It is important to recognise that "the majority of local authorities have not as yet formulated any local energy policy...participation in major CHP studies...has developed largely in a policy void or as policy initiatives isolated from either local energy or economic initiatives"⁴⁷. A number of factors stimulated local interest in CHP/DH.

⁴¹ Raine 1979 p53

⁴² Sheldrick 1984b

⁴³ Raine 1980 p407

⁴⁴ Mathews 1980 p24

⁴⁵ CLES 1986d p45

⁴⁶ Sweet 1984 p4

⁴⁷ CLES 1986d p16

Firstly, "the recent interest of the UK government in the development of Combined Heat and Power generation offers direct opportunities for local authority intervention"⁴⁸. Central governments' evaluations of CHP/DH established two crucial linkages between the technology and particular localities. First, that CHP/DH was most economically implemented in areas of high density mainly the larger UK cities. Second, that local authorities had to be involved in the implementation of the technology. The Marshall report concluded that "the finance and operation of actual schemes should however be the responsibility of a local organisation on which the national organisation and the local authority should be represented together with other local interests"⁴⁹. The localities most suited and interested in CHP/DH are nearly all locally controlled by Labour councils. Local authorities certainly became extremely interested with the publication of Energy Paper 35 as it marked an extension of the CHP/DH discussion outside purely technical interests. Local authorities needed to be involved in the implementation of CHP to: bring local expertise and experience to the difficult technical, social and administrative problems of city-wide developments; ensure democratic accountability in the formulation of policies; and, to provide the largest unified heat load, particularly for housing, in a city. But local authorities were not encouraged to participate in the DEn programme as involvement was based on local "approbation". The existence of official reports and feasibility studies does not on its own explain why local authorities took up the opportunities they offered.

Secondly, during the 1970s professional groups, including heating and mechanical engineers, in local government were interested in the technology. The local implementation of CHP/DH could provide these groups with a major extension of their areas of professional responsibility. These professional groups had been responsible for the production of municipal electricity in the period from the 1900s until the function was lost in the 1940s. In some local authorities they played an important role in promoting member-level interest in CHP/DH. Thirdly, a number of CHP/DH campaigns and organisations had an important local dimension. They were responsible in some localities for stimulating and maintaining local authority activity on the issue. Groups involved in stimulating local interest included, trade unions; the National Right to Fuel Campaign; the Combined Heat and Power Association; voluntary groups; and the Socialist Environmental Resources Association.

Finally, a few Labour local authorities have rejected the view that technology is inherently progressive - a view often expressed by the labour movement. These ideas have developed out of the Lucas Aerospace project that opposed undesirable technologies and tried to promote socially useful technologies. Related initiatives included Sheffield's

⁴⁸ *Newcastle City Council 1980*

⁴⁹ *DEn Energy Paper 35 1979 p44*

Sceptre, the GLC's Technets, and the Unit for the Development of Alternative Products in Coventry. There have been a number of examples of attempts by local authorities to develop different technologies including: heat exchangers, solar heating, heat pumps and electronic control. Sheffield City Councils' dehumidifier attempted to develop a technology to meet social needs. Energy technology debates at the national level have been couched in terms of economic, technical and energy saving terms ignoring the social costs. Some local authorities have seen issues about technological choices in wider contexts and related them to other policy areas such as employment. While the experiments with de-humidifiers have been relatively small scale, on a larger scale CHP/DH technology is seen as offering benefits in many policy fields. These include solutions to fuel poverty, improving housing conditions, creating employment and conserving energy. The main impetus for CHP/DH came from some local authorities "mainly out of a concern over energy poverty and local employment, ie social and economic issues rather than energy conservation"⁵⁰. The local, as opposed to national, benefits of CHP/DH vary depending on the economic, industrial, social and employment characteristics in a particular locality. But it is quite clear that the economic and social benefits of CHP/DH "are heavily concentrated in urban areas"⁵¹. Local authorities have been interested in CHP/DH because of a range of perceived local benefits from the technology's development⁵². These include

- encouraging employment creation in the coal, construction and power engineering industries⁵³;
- developing a new industrial specialism based on the production of CHP plant and heat networks⁵⁴;
- using lowest cost energy sources such as municipal refuse and waste industrial heat⁵⁵;
- lowering pollutions levels and reducing the greenhouse effect⁵⁶;
- supplying heat to consumers at 20% less cost than the next cheapest option;
- improving living conditions and health⁵⁷;
- contributing to a reduction in condensation problems⁵⁸;
- producing no smell, noise, fire, explosive or asphyxiation hazard⁵⁹.

The maximisation of the local benefits of CHP/DH requires a strong degree of local authority control over the planning, construction and operation of the technology. Without this control

⁵⁰ Rudig 1986a p109

⁵¹ CAITS 1979 p92

⁵² See Atkins 1986, Huxford 1980, Murgatroyd 1977 & Orchard 1985.

⁵³ CAITS 1979 p23

⁵⁴ Fells 1977 p233

⁵⁵ See Armson 1985, Institution of Mechanical Engineers 1985, Probert and Samuel 1986, and Waste Management Advisory Council 1979,

⁵⁶ Huxford 1980 & EERU 1989

⁵⁷ See Wicks 1978 p148 & Huxford 1980

⁵⁸ Huxford 1980

⁵⁹ Haseler 1968 p12

local authorities will not be able to develop training programmes, social audits, purchasing policies and links with manufacturers. Local authority control over CHP/DH could have important implications. "Heat can be provided for local needs and can be locally administered outside the National Grid..ensuring that the price cannot be manipulated in relation to other fuels, and that the management can be more responsible to the consumers"⁶⁰. Consequently "CHP utilities provide a real potential to bring control over a significant facet of the energy economy in to the local realm"⁶¹. But while some local authorities attempted to maintain a central lead role in the control over the development of CHP/DH central government have forced local authorities to develop consortium with the private sector diluting the degree of local control.

Although a number of local authorities have been involved in assessments of CHP/DH the restricted nature of central government's commitment resulted in many local authorities losing interest in the technology at an early stage (see appendix 3). But frustration at the way central government handled the issue led several localities to spend significant amounts of their own funds to work towards the local implementation of CHP/DH as there seemed "to be no drive except by local authorities on anybody's part at all"⁶². Those authorities that were interested tended to be metropolitan and urban councils, mainly because CHP is most effectively implemented in these areas⁶³. CHP/DH was a technology which a number of these councils felt able to support for economic, social and environmental reasons. Consequently the most active authorities have been Labour controlled councils. There are three groups of exemplary local authorities, in Sheffield, Newcastle and London, who have continued using substantial amounts of their own resources, to try and implement CHP/DH without any government assistance. For instance:

"there is little doubt that the progress which has been made so far on (CHP/DH) development ... has been largely the result of the initiative and enthusiasm of a combination of local authorities such as the London Borough of Southwark, Newcastle MB, Tyne and Wear MC"⁶⁴.

"Three groups of local authorities - in London, Sheffield, and Newcastle - stand out as having pursued CHP for their cities with greater vigour, both in pursuing their candidacy within the DEN programme and in initiating and maintaining their own work in parallel"⁶⁵.

"there are a number of local authorities who have been and are going to pursue it in their area; Newcastle and Gateshead and Tyne & Wear are, as well as Sheffield and the GLC. We were prepared to apply our own resources to that exercise even before the Department of Energy scheme commenced"⁶⁶.

⁶⁰ Taylor 1982 p29

⁶¹ CLES 1986d p49

⁶² House of Commons Energy Select Committee Vol.3 p220. See also CLES 1986d p28

⁶³ See Sheldrick 1985a p133, 152 & 1985c p34 and appendix 2

⁶⁴ Owens 1984 p237-238

⁶⁵ Russell 1986 p345

⁶⁶ Elton in House of Commons Energy Select Committee Vol.3 p216

"Sheffield, Newcastle and London are continuing investigations without any central government assistance"⁶⁷.

"London, Sheffield and Newcastle have undertaken independent efforts"⁶⁸.

"interest in CHP in a number of local authorities and the restricted nature of central government initiatives led some, notably Newcastle, Sheffield and the GLC, to invest significantly in independent investigations into the local potential"⁶⁹.

These local authorities are not representative of Labour authorities attempting to develop CHP/DH. Most authorities, even in areas suitable for the implementation of CHP, failed to take part in the DEn programme or abandoned their interest when no central government funding was available (see appendix 3). The evidence indicates that these three sets of local authorities have been the most important in promoting the development of CHP/DH and may have formed links with the national Labour Party over the issue.

ILLUSTRATING NATIONAL CHP/DH POLICY ALTERNATIVES LOCALLY

CHP/DH is a technology policy issue which cuts across local and national government levels. It has been clearly demonstrated that it is a technology that must have both local authority involvement for implementation and a supportive national policy framework. A series of Labour local authorities have attempted to implement the technology in the late 1970s and early 1980s but they have found it difficult to overcome the national policy constraints on CHP/DH. Consequently these constraints created the potential for local authorities to form a linkage with the national Labour Party over the issue.

Historically there have been major structural constraints on the development of CHP/DH in the UK. The basic problem is the division between production and consumption interests. Producers have been interested in maintaining vertically integrated control, with minimal political involvement and increasing energy supply. This operates against energy efficiency and only partially fulfils social objectives. The state intervenes to maintain producer interests. The major technical constraint on CHP/DH is the need to coordinate the production of a dual product - heat and electricity. But

"a technology which interconnects so far separated systems - which, say, combines electricity and heat production - will come up against much greater opposition than technology which... lies wholly within one or other production chain. This takes on special importance if we want to go in for saving energy of high quality. That is because we would be systematically forced into the coupling-up of electricity with heat..."⁷⁰.

⁶⁷ Atkinson 1986b p14

⁶⁸ Mogk 1986 p145

⁶⁹ Atkinson 1987a

⁷⁰ Lonnroth et al 1977

Unfortunately the heat and power linkage does not fit easily into the existing energy supply concept⁷¹. The political character of CHP/DH derives from energy saving and social objectives and in this sense CHP/DH is always seen as critical of the existing institutions. "The problems are not technological in nature, but are caused by organisational and legal difficulties"⁷². It is widely acknowledged that "certain organisational forms of the ESI have been militating against the adoption of this technology"⁷³. This indicates that the nationalised energy institutions are responsible for the lack of progress on CHP in the UK. They are overcentralised, have been unaccountable and central government has not intervened to control the technology and technical decisions of the industry.

The development of electrical supply is characterised by a "cleavage between urban, small scale industry as it was started by local private or public enterprises on the one hand, and the bulk supply industry requiring bigger power plants, a centralised distribution system, and new organisational forms on the other"⁷⁴. CHP/DH is closely allied to the first interest, as its feasibility rests on the heat source and consumption being close together to limit heat distribution losses and costs. The international experience shows clearly that CHP has "primarily been initiated by local authorities and that CHP development is more likely where local bodies have been able to maintain their historical role as energy utilities"⁷⁵. Decentralised structures of energy supply tend to "co-exist with a high level of public expectation of participation" as local institutions tend to restrict demand for energy and reduce consumers costs. But centralised institutions co-exist with a low expectation of public participation and produce expansionist producer policies with an emphasis on nuclear power⁷⁶. But in the UK the involvement of local authorities in energy supply has been minimal since the 1940s although there has been new activity since the early 1970s⁷⁷. A centrally organised ESI forms a crucial, if not insurmountable, obstacle to CHP/DH development. The ESI has adopted a technological development policy of increasing scale and centralising of production. Before 1954 new power stations were rated at 30 or 60 MW, but between 1965-75 the industry developed bigger turbines moving from 350 to 660 MW. The strategy was supposed to result in economies of scale. However this is not necessarily the case as bigger stations take longer to build, compound forecasting errors, exacerbate the problem of excess capacity, have a low availability when first commissioned and longer

⁷¹ See Goldsmith 1977 p158

⁷² Beaumont & Keys 1981 p 625

⁷³ Rudig 1986a p104

⁷⁴ Rudig 1986a p111

⁷⁵ Rudig 1986a p113

⁷⁶ Lucas 1981 p187

⁷⁷ Lucas 1980 p70

downtime⁷⁸. The move to bigger turbines and the location of new power stations in rural areas militated against the development of city based CHP/DH.

The "general economic and institutional circumstances guarantee that opposition" to CHP/DH from the ESI and fuel industries "will be strong"⁷⁹. With the absence of major growth in energy demand and no shortage of supply options CHP/DH can only be developed at the expense of another energy form. "There is no aspect of the existing institutional structure in the UK which would ease the penetration of CHP. On the contrary, it seems reasonable that vertically integrated, specialist and monopolist organisation should resist it"⁸⁰. CHP/DH is a serious threat to the ESI and fuel industries who are primarily interested in extending control over their market for production and means of production. There have been a number of examinations of the obstacles to the development of CHP/DH⁸¹. First, the ESI has always assumed to be the natural focus for the development of CHP/DH. There is no obvious reason why this should be the case. CHP/DH is peripheral to the principal objectives of the industry since it does not help to sell electricity or secure supplies. There is in fact little to be gained by the ESI in developing CHP/DH. Their policy is to control proposals for the development of CHP/DH schemes "by close involvement and to neutralise them"⁸². The ESI have undertaken high quality work, published material, discussed results but they always conclude that CHP has little to offer them as the distribution of heat "involves sacrificing some of the work that would be potentially available in the steam for electricity production and so CHP generation always requires more fuel to supply the same amount of electricity"⁸³. Consequently domestic gas tariffs are designed to undercut DH. Second, the development of CHP/DH would "produce a new energy vector in direct competition with gas. The gas industry sees its long-term future in the gasification of coal and is therefore threatened by a technology which converts coal to thermal comfort through hot water"⁸⁴. Third, the administration of CHP/DH schemes "makes demands for coordination of physical planning and energy supply which existing institutions in most countries are poorly equipped to meet"⁸⁵. There is no special body of legislation for implementing CHP/DH but powers are derived from general legislation, private acts and common law⁸⁶.

⁷⁸ Collingridge 1980 p116

⁷⁹ Lucas 1980 p61

⁸⁰ Lucas 1980 p61

⁸¹ See Mogk 1986 p131-152 & Lucas 1980

⁸² Lucas 1980 p62

⁸³ Dart & Talbot 1985 p9

⁸⁴ Lucas 1981 p184

⁸⁵ Lucas 1981 p184

⁸⁶ See Huxford 1977 p124-133, McElowney et al 1987 for a general review & Cox 1982 for a review of legislation affecting the implementation of the Southwark scheme.

The experience since 1979 clearly indicates that, despite intense lobbying by local authorities and the publication of government reports supporting CHP/DH, the Conservative Government lacks the commitment to address the wider structural constraints on CHP/DH⁸⁷. The Energy Select Committees argued that Government CHP policy was "designed principally to avoid taking decisions"⁸⁸. The treatment of CHP/DH has been caught up in the wider initiatives based around Conservative energy policy. Conservative energy policy has been characterised by; the assertion of market forces and supposedly minimal state intervention in the energy sector; a reduction in conservation programmes; privatisation of nationalised industries; and constraints on public expenditure, particularly by local authorities. In this context CHP/DH technology sits rather uncomfortably. The demand for CHP/DH by mainly Labour local authorities and the collectivist image of the technology is unacceptable to Conservative ideology. This policy has resulted in the present government adopting a minimalist approach to the CHP/DH development. The government has provided very limited resources to three local authorities to form consortia with the private sector and ESI to encourage schemes "which would be sufficiently economic to be taken forward by the private sector", as the "way forward to CHP lies in private investment" in which the pace of development is "determined by market mechanisms"⁸⁹. "The principal element of the government's policy on CHP is that the private sector must play the leading role and that any development must be financially attractive to the private sector at all times"⁹⁰. It was not acceptable for CHP/DH be to be instituted as a municipality-run or led operation⁹¹. However private investors have shown little interest in investing in CHP/DH schemes due to the problems of competing with British Gas and the low prices paid by ESI for electricity⁹². Consequently the rate of return not high enough for what is perceived as a risky investment⁹³.

The implementation of CHP/DH requires the decentralisation of the ESI and new forms of local control. It is "unlikely that any significant development of CHP systems will take place until there is a major shift in government policy towards CHP"⁹⁴. There is strong evidence to suggest that "no government policy for the expansion of CHP/DH is likely to succeed if it does not include a reform of the organisation of the ESI"⁹⁵. Central government involvement is necessary to overcome the obstacles to CHP/DH in terms of legislation, the

⁸⁷ See Atkinson 1986a

⁸⁸ Atkinson 1983 p61

⁸⁹ DEn 1988

⁹⁰ GLC 1986h

⁹¹ Jarvis 1986 p161

⁹² Atkinson 1986b p14

⁹³ See Tatchell 1977

⁹⁴ CLES 1986d p49

⁹⁵ Rudig 1986a p114

provision of finance, coordination of the policies of the fuel industries and the development of a local organisation responsible for the development of CHP/DH⁹⁶. A substantial decentralisation of powers is needed from the centre to shift the main focus of activity away from supply questions to questions of demand management and energy efficiency at the local level⁹⁷. Consequently CHP/DH is extremely difficult to implement locally without national policy changes. As an official from Newcastle City Council stated

"if it were possible for the authorities to do it themselves we would wish to. There are many aspects, particularly the financial one, which make that impossible. It cannot be purely a local initiative. It must be carried out in the national context. And it must have the sincere backing of the government. There is no way the authority can avoid this"⁹⁸.

Local CHP/DH initiatives have had serious difficulties in breaking through the national, institutional and financial barriers which are blocking its progress. The essentially bottom-up approach to energy planning that the local authorities are advocating is the antithesis of the present system in which powerful utilities dictate the structure of energy use⁹⁹. The principal theme running through local authority energy documents is the "fundamental need to decentralise power from the centre. In particular it throws out a challenge to the traditional dominance of fuel supply industries and central government in determining policy"¹⁰⁰. Labour local authorities have been unable to introduce CHP/DH while central government has been unwilling to tackle the structural constraints to its introduction. The difficulties of local authorities implementing CHP/DH schemes "reflects the harsh social, economic and political realities in which they are operating and the constraining effect which these have on their underlying objectives and motives"¹⁰¹. Local energy initiatives are unlikely to have a significant impact unless they are set in a wider framework. But "such a framework is noticeably lacking in Britain"¹⁰². Conservative energy policy is supply and market orientated. Central government has restricted the development of local alternatives and the centralised energy institutions are difficult to defend.

But Labour local authorities have been able to contribute to the development of alternatives. This is based on the view that "a substantial amount of structured decision-making at the local level is necessary if perceived needs of 'the consumers' are to be satisfied appropriately"¹⁰³. Control needs to be held by those who will take the consequences of strategic decisions and who can discuss the alternative possibilities, preferred approaches

⁹⁶ Huxford 1977 p123 & Lucas 1980 p70

⁹⁷ CLES 1986d p56

⁹⁸ Elton HCESC Vol.3 p217.

⁹⁹ Matthews & Tridgell 1986 p46-47

¹⁰⁰ Matthews & Tridgell 1986 p47-48

¹⁰¹ Sheldrick & Cooper 1987 p197-198

¹⁰² Owens 1986 p180

¹⁰³ Atkinson 1983 p62

and develop a framework which is technically relatively simple, understandable and controllable, as well as institutionally accountable and accessible. The most interesting and "potentially the most effective move towards local control of energy supply.. is the development of interest in CHP systems with DH"¹⁰⁴.

The policies developed locally could contribute to the development of alternative national policies in the Labour Party as CHP/DH is a technology policy issue which cuts across local-national political levels. These authorities may have attempted to influence the development of national Labour Party policy over the issue to facilitate the conditions for its local introduction if national political conditions change. Atkins argued that the "London Industrial Strategy and related initiatives within the GLC and other local authorities have started the process of generating ideas along this line of development"¹⁰⁵. Energy issues have been explicitly addressed "as a prime candidate for increased democracy in decision-making, implicitly involving considerable institutional decentralisation. It is in this context that the GLC and Sheffield Council have given prominence to energy issues with CHP at the forefront"¹⁰⁶. The GLC proposals for CHP would have been the "first detailed example in British planning to define explicitly a Metropolitan energy policy" in calling for decentralisation and autonomy in energy planning.¹⁰⁷ They challenged existing structures and created dissent at local and national levels against their underlying perception that the GLC had a strategic role in energy planning. These initiatives "represent a challenge to the hegemony of the fuel industries and central government in determining national energy policy. This challenge, however implicitly, attempts to reverse the trend of centralisation of energy supply that has existed since 1947"¹⁰⁸. As Raine argued "with few exceptions, notably the work of the GLC on Energy Policy and London, there have yet to be made any significant attempts to translate national energy policy into local terms and to explore the implications and develop appropriate policies for particular areas"¹⁰⁹. The SEEDS, which has broadened out the economic policy work of the GLC to cover local authorities outside London in the South East has produced the elements of a regional energy strategy¹¹⁰. As Russell argues "a coherent and politically important axis of support has emerged in large part around local authority initiatives. Indeed the Labour metropolitan authorities have played an important role as focuses and channels for this issue and related energy politics".

¹⁰⁴ *Atkinson 1986b p3*

¹⁰⁵ *Atkinson 1986b p6*

¹⁰⁶ *Atkinson 1983 p61*

¹⁰⁷ *Matthews & Tridgell 1986 p46*

¹⁰⁸ *Sheldrick & Cooper 1987 p 212*

¹⁰⁹ *Raine 1980 p402*

¹¹⁰ *Atkinson 1986b p2-3*

There are several reasons why a link between local and national party might be expected over the issue.

First, the nationalisation of the fuel industries was supposed to ensure efficiency and accountability. But the industry has been inflexible and the problems of implementing CHP/DH have been caught up in this dynamic¹¹¹. The energy market in the UK is remarkable for the degree of concentration of power on the supply side. The form of control over the energy industries developed by the Labour Party in the 1940s has militated against the introduction of CHP/DH. Local authorities attempting to implement CHP need to form a linkage with the national party to create policies that allow CHP/DH to be implemented locally.

Second, national Labour Party energy policy has tended to focus on highly centralised institutions and emphasised large scale supply technologies with little consideration for alternative forms of technology or organisation. At the same time as central government has been hostile to local authorities' attempts to implement CHP/DH it has sought to dismantle the nationalised industries. This has created severe problems for the national Labour Party in attempting to defend the performance of the industries and developing new policies for social ownership. Consequently if the Labour Party was to support the implementation of CHP/DH it would have to consider new forms of organisation and evaluate different technological options. Implementing CHP is not going to be easy and a link is required with the national party to develop policies which create a framework for decentralised energy production.

Third, the CLES report argued that political parties, other than the Conservatives, may have national energy policies under which local authorities might be able to operate more effectively. Consequently "local authorities would be well advised to see that they have worked out proposals for relevant energy investments before the next election"¹¹². It would not be surprising to expect that the labour localities trying to implement CHP would want national party policies to overcome the obstacles and constraints. The localities promoting CHP/DH appear to have developed a new strategy in an effort to ensure that CHP/DH is implemented under democratic control at the local level. The Labour Party at national level has been encouraged to support CHP/DH through its energy policy. This tactic appears to have had some success. Since 1982 the Labour Party energy proposals have contained a number of policies which include a commitment to develop CHP/DH.

¹¹¹ See Johnson 1978, Self 1976 & Atkinson 1983 p60

¹¹² CLES 1986d p75

LOCALISATION OF LABOUR PARTY CHP/DH POLICY

Local CHP/DH initiatives could have an important a role in the development of alternative policies from national to local level and linking industrial and community issues. As Massey argues there "are some obvious opportunities" for linking "power workers and local communities on plans for district heating" in a hierarchy of alternative plans from workplace, local to national level¹¹³. CHP/DH has also been linked to policies for planned procurement in the power engineering sector. As Wield argues

"A public procurement strategy of regular orders could be linked to planning agreements in the major companies to strengthen the position of workers, to integrate the development of technologies relating to CHP.. and guarantee the spending of State funds. This type of approach could strengthen the 'public' element of power engineering production without direct ownership in the companies concerned. This type of public procurement is relatively simple given that the major customer for power stations in Britain is the CEGB"¹¹⁴.

A local government perspective on CHP needs to be part of a wider local government view on energy policy in general. For instance when consideration is given to "forms of regional government then the energy distribution and selling aspects of the major utilities need to be brought into the fold of regional government"¹¹⁵. Consequently the issue of CHP/DH technology has arisen in wider policy debates including employment, new forms of social ownership for nationalised industries, regional government, industrial policy and the future of the coal industry.

It appears that this interest is closely tied up with Labour metropolitan authorities' influence on the national Labour Party. CHP/DH "technologies have been able to contribute significantly to this process of demonstration with important consequences for national policy development"¹¹⁶. The experiments and new policy innovations in the localities need to placed on the national party agenda. "While the connection has begun to be made in several local authorities their instance is far from commonplace"¹¹⁷, despite the "enthusiasms of several local authorities for CHP"¹¹⁸. There are opportunities for local authorities to attempt to influence national party policy over CHP/DH in addition to the mechanisms and linkages identified in chapter 1. For instance a "number of coherent groupings have started to speak out for the development of CHP"¹¹⁹. Local authorities promoting CHP/DH are acting together through the National CHP Liaison Group which has various forms of cooperation with the DEn, CHPA and political parties through collective

¹¹³ *Massey 1983 p149*

¹¹⁴ *Wield 1986 p41*

¹¹⁵ *Green 1987*

¹¹⁶ *CLES 1986d p25*

¹¹⁷ *Sheldrick 1984 p69*

¹¹⁸ *Sheldrick 1984 p66*

¹¹⁹ *Atkinson 1983 p61*

lobbies, publicity and presentations. "There can be no doubt that the meetings and activities of this group have had a significant influence in awakening and structuring interest in CHP at local council level" and discussions about relevant institutional structures within which to implement CHP. A further grouping has come together to

"shadow' the liaison Group such as to ensure that if CHP is implemented in British cities then it should be in such a way as to benefit local consumers and not either the interests of private profit or any centralised national interest". This group called "Jobs from Warmth" and based on the TUSIU in Newcastle, is dedicated to raising political consciousness at "grass roots" level with respect particularly to CHP but also more general energy issues"¹²⁰.

There is some evidence from secondary sources that Newcastle, London and Sheffield have developed links with national party policy over CHP. These three local authorities have been the most active, provided resources, developed CHP/DH the furthest and joined forces with outside groups. Newcastle was the focus of various national campaigns for CHP/DH such as the Jobs for Warmth campaign between 1981-83. This played an important role in lobbying the TUC and Labour Party about the benefits of CHP/DH¹²¹. In addition the group was very successful in getting other local authorities to take CHP/DH seriously. Sheffield has been prominent in campaigning for CHP/DH and the Council's former leader David Blunkett is very supportive of the technology, CHP/DH was included in the alternative regional strategy for the area and the local jobs plan. In London the GLC played an important role in encouraging the development of CHP in London. The London Energy and Employment Network (LEEN), set up by the GLC, has acted with a number of organisations, including local authorities, to campaign for CHP/DH in the Labour Party. A promotional brochure "Too Cold for Comfort" on energy issues was presented at a fringe meeting of the 1986 Labour Party conference. The institutional constraints on the development of CHP/DH were widely recognised at these meetings. As a result of this process, work was begun on the production of a draft Energy Bill which is designed for implementation in the first days of a Labour government¹²². The London Industrial Strategy and the London Energy Action Plan called for comprehensive, effective energy efficiency policy and practices at national, regional and local level. Both CLES and SEEDS have produced reports on local energy policy and CLES worked with some individuals on the front bench over the production of jobs plans.

It is not clear what impact these linkages have had on the development of national CHP/DH policy. Before 1982 Labour Party energy policy made no mention of CHP/DH. Since then the Labour Party has adopted a number of policies supporting CHP/DH. The 1982

¹²⁰ Atkinson 1983 p61

¹²¹ Porter et al 1986 p138

¹²² Atkinson Interview 1987

programme made reference to the development of CHP and its potential benefits. Labour went into the 1983 election with an energy policy based broadly on the practice of the 1974-79 administration but with the important and significant addition of a commitment to CHP¹²³. The 1986 Labour Party conference passed a motion which called for the next Labour government to liaise with local authorities to develop CHP/DH schemes in urban areas. This policy apparently represents a commitment to localise a form of energy production technology to local authorities. The 1986 statement was the first to confirm that local authorities had an important role in the implementation of CHP/DH.

But there are, however, no detailed proposals about the size, number, location, cost or timing of the implementation of such a programme. In the 1982 statement the "institutional problems concerning who should implement CHP were not addressed"¹²⁴. It is not clear how far the Labour Party is really committed to developing CHP/DH as their proposals do not include the reorganisation of the ESI. Whilst the Labour Party has "made structured statements on energy policy it should be stressed that these remain general rather than making any very firm commitment to the allocation of resources to different aspects of the energy economy"¹²⁵. It is argued that the party is an enthusiastic advocate of "centralist policies and bureaucratic structures and they do not take local concerns very seriously over a wide range of issues" and that "the case for local democracy, which includes local energy planning, will have to be fought for locally before it makes any impact nationally"¹²⁶. Within the party only "certain individuals have made encouraging statements"¹²⁷ in support of CHP. In addition there is another issue for socialists "traditionally, socialist scenarios have been purely about institutional change with various views about the 'correct' form"¹²⁸. This tends to assume that the technology is benign and that technology is not the problem but its ownership and control¹²⁹. Consequently there are those who argue that "Labour... is committed to a high-tech re-industrialisation for enhanced international competition, those priorities require energy intensive (especially electricity intensive) technologies" and that the "debate over CHP distracts from the central purpose of national energy policy which is to develop nuclear power to produce abundant and cheap power for all purposes". There are many "in the Labour movement to whom 'localisation' and even 'regionalism' are seen as a

¹²³ Porter et al 1986 p70

¹²⁴ Atkinson 1983

¹²⁵ CLES 1986d 75

¹²⁶ Sweet 1984 p3

¹²⁷ DHA 1982

¹²⁸ Atkinson 1983 p62

¹²⁹ Mathews 1980 p19-20

¹³⁰ Atkinson 1983 p62

mechanism for further alienating the provinces from the national economic decision making process based upon London .

CONCLUSION

There is considerable uncertainty about the national party's commitment to CHP/DH and the degree of local input into national policy development. Further research is needed in an approach which includes both national and local levels of the party. I have chosen to do this through an analysis of the role of London, Newcastle and Sheffield in the localisation of national Labour Party CHP/DH policy. The justifications for this approach are four fold.

First, in the Labour Party at national level interest in CHP/DH developed when the party was in power as a response to the 1973 oil crisis. It was not part of party policy at the 1979 election and first appeared in 1982. At this stage local authorities had been active for several years trying to develop CHP/DH, suggesting that the impetus for the policy at national level may have come from below. Second, the Sheffield, Newcastle and London local authorities have been the most active in promoting CHP/DH. They all developed an interest in the technology during the late 1970s in response to a set of specific local circumstances and the context of limited central government action. Third, it is generally recognised that these local authorities have been the most influential in encouraging the development of CHP/DH. They have all consistently lobbied central government, formed links with outside organisations, invested substantial amounts of resources and developed CHP/DH further than any other Labour local authorities. Finally and most significantly they appear to have played a role in the formulation of national party policy. A number of Labour local authorities expressed an interest in CHP/DH but have not yet made any significant developments. Focusing on three local authorities is not an attempt to suggest that they are representative of a general trend. There is certainly no evidence to support this approach. Sheffield, Newcastle and London have been selected for intensive study because they are important in the development of CHP/DH policy in the Labour Party.

At this stage it is useful to outline the difficulties involved in constructing an analysis of localisation in the case study chapters. There were six main difficulties. First, the same actors often had widely varying perceptions of the importance and nature of the interface at different times. For instance the Chair of the Sheffield Energy Panel, responsible for attempts to implement CHP/DH, stated that the local authority had "not gone down the route of influencing Labour Party policy" but had instead "concentrated our efforts internally on the

development of a CHP/DH scheme for Sheffield"¹³². But in a later interview the same Councillor stated that Sheffield "has played a central role in Labour Party policy development for CHP/DH" as the first authority to put pressure on the Labour Party in 1982 and having a more important role in this process than Newcastle¹³³. These were two widely differing interpretations of the local-national party interface and an explanation was required to account for these inconsistent views. Another major difficulty was the quality of the information available about the local-national interface. Much of the contact with the national party was of an informal and ad hoc nature. Illiciting detailed information about these linkages in interviews was not always successful as the respondents could not recall all the contacts, remember the reasons for a particular contact or the content of the discussions held. The research relied to a large extent on secondary sources that were available including copies of letters setting up meetings national party representatives and internal local authority memos recording some of the discussion.

The nature of the interface was complex. The research revealed a wide variety of linkages with the national party including, local MPs, MEPs, trade unions, the Association for Metropolitan Authorities (AMA) and shadow energy spokesmen. Thus it could not be guaranteed that all the possible interactions between the local and national party in each case study were covered in detail. The local - national interface was not part of a coordinated local strategy to influence the development of national Labour Party policy as the local authorities did not have the time or the resources to engage in this type of activity for any length of time. A framework for explaining the interface was required which could account for these highly specific forms of interaction with the Labour Party. There was more evidence of a concerted strategy to influence the policy of the Labour Party through joint local authority action on the National CHP Liaison Group. Sheffield together with Newcastle and London was very active in this group. Consequently the importance of joint local authority action is dealt with in chapter 8. Finally, the local-national linkages had to be related to the different forms of localisation identified in Chapter 3. Taking each local-national linkage individually it was difficult to uncover patterns of reasons for developing an interface except for specific tactical objectives. However by examining the overall pattern of linkages within each case study the importance of particular forms of localisation emerged.

Clearly there were major difficulties in dealing with the issue of local - national party relations. An analysis of the linkages was required which could account for the differing perceptions of the interface and identify the reasons for its formation. It was possible to situate an explanation of the reasons for the development of an interface with the national

¹³² Meade Interview 1987

¹³³ Meade Interview 1987

party and the structures utilised in the specific phases of CHP/DH development in each locality. This approach had a number of important advantages which assist in resolving to some extent the problems and difficulties identified above. One of the main objectives was to examine the local- national interface and localisation from particular local perspectives. Locating the reasons for the development of an interface within the specific phases of interest in CHP/DH in each locality enabled the limited information about specific interactions to be rooted in a detailed understanding of local concerns, priorities and difficulties at certain times. This approach placed the interface in a wider political perspective which could account for the local motivations for developing linkages with the national party and contribute to an understanding of the local participants' apparently inconsistent and differing interpretations of the relationship.

The explanatory power of this approach can be demonstrated by examining the two inconsistent interpretations put forward by the Chair of the Sheffield Energy Panel. In the first statement the Councillor argued that the authority had not sought to influence national policy but in the second statement the authority had a key role. Both interpretations are entirely consistent when placed in the context of the two interviews and the discussion about particular local priorities. For instance in the first interview the latest phase of CHP in Sheffield was being discussed. At the time the authority was focusing on the implementation of its own scheme and had few linkages with outside bodies including the national Labour Party. But in the second interview the discussion centred on the second period of CHP/DH development when the authority was trying to develop a city wide scheme and used links with the Labour Party to attempt to overcome constraints on the schemes implementation. When placed in the context of particular discussions about Sheffield's activity on CHP/DH during specific periods of local interest in the technology an explanation can be made for the two apparently widely differing perceptions of the importance of the interface.

The case study chapters construct an analysis of the treatment of CHP/DH each locality. This framework is then used to explain the nature and content of the local-national party interface and then relates the content of the interface to different types of localisation. The key point is that an interface, however diffuse and complex, does exist between local and national parties and the analysis situates both the structures and the objectives of the interface firmly in the specific phases of CHP/DH development in each locality.

CHAPTER 5 TYNESIDE AND CHP/DH

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INTRODUCTION

This chapter examines the development of CHP/DH on Tyneside with an emphasis on three issues. First, the political, economic and social reasons for the local authorities', and local trade unions', interest in CHP/DH. Second, an examination of the nature of the interface that has been developed with the national Labour Party over the issue of CHP/DH. This includes looking at the particular reasons why groups in the locality sought access to the national party, the mechanisms and structures utilised and the content of the interaction. Third, an analysis of the types of localisation of national Labour Party CHP/DH policy that have been sought by local authorities and local trade unions.

The Tyneside case study is complex. Several key issues emerge. First, the region has a particular concentration of energy related industries, including the power engineering industry and coal mining, whose performance has important employment consequences for the local and regional economy. Second, the control of these industries is largely dependent on decision-making outside the region by central government and the nationalised industries. Third, as the energy industries came under threat regional alliances developed between trade unions and local authorities to influence the development of national energy, industrial and regional policies. Fourth, CHP has played a very significant role in the development of alternative energy scenarios within the region. Finally, at regional and local level a wide range of groups has taken an interest in the development of CHP/DH. Most significant has been the role of three local authorities, Newcastle City Council, Gateshead MBC and Tyne and Wear MCC, and local trade unions in the Joint Corporate Committee at Parsons operating nationally with other trade unions through the Power Engineering Industry Trade Union Committee (PEITUC). In addition CHP/DH has been an issue raised by local tenant and community groups, anti-nuclear groups, local industry and local energy groups in the region.

These factors provide the context against which an interest in CHP/DH has developed in the region over the period 1976-87. The treatment of CHP/DH is divided into specific phases of trade union and local authority interest reflecting changes in central government, decisions about energy policy, CEGB power station ordering policy, and government policy for trade unions and local government. The chapter is divided into three sections. First, an analysis of local interest in CHP/DH. This specifically focuses on trade unions and local authority interest, the links between the campaigns are outlined together with an examination of how other local interests relate to the union and council initiatives. Second, an analysis of the linkages that have been developed by both the trade unions and local authorities with the

national Labour Party over CHP/DH. Third, an examination of the different forms of localisation proposed by the trade unions and local authorities in Newcastle.

LOCAL INTEREST IN CHP/DH

During the period 1976-87 a wide range of local groups in the North East developed an interest in the implementation of CHP/DH as a solution to a number of energy production and consumption problems in the region. Six local groups had specific reasons for interest in CHP/DH.

Trade unions on Tyneside, primarily those working locally through the Joint Corporate Committee at Parsons and the Trade Union Studies Information Unit (TUSIU) but also nationally in the Power Engineering Industry Trade Union Committee (PEITUC), became active on CHP/DH from the mid 1970s. Their interest in CHP/DH focused on the potential for

- alternative forms of socially useful production
- orders for the power engineering industry
- securing and creating employment in power engineering and construction industries
- use of coal fired CHP to secure the future of the North East coalfields
- improvement in living conditions
- supporting inner city regeneration
- development of new national energy policies.

The trade unions mounted a number of campaigns for CHP/DH although the development of conventional electricity only power station technology was also promoted as a more immediate solution to the two crises that developed in the region's power engineering industries in 1976 and 1986. The trade unions were also responsible for stimulating the interest of local authorities, other local groups and the national Labour Party in CHP/DH.

Newcastle City Council investigated the local potential of CHP/DH prior to the publication of the Marshall Report. With the launch of the Atkins programme Newcastle City Council together with Gateshead MBC and Tyne and Wear MCC supported their own work on CHP/DH. These local authorities attempted to implement CHP because of the potential for

- promotion of energy efficiency
- development of a local industrial specialism
- employment creation
- inner city regeneration
- improvement in housing conditions

- municipal control of local energy production.

A number of local tenants groups including the Newcastle Tenants Federation developed a strong interest in DH from 1979. Local council tenants responded to the problems of condensation, and expensive and inefficient electrical systems with a campaign for District Heating together with the support of trade unionists promoting CHP/DH. Tenants were interested in DH for a number of reasons

- cheaper heating
- improved tenant control of heating
- to tackle condensation problems
- local employment creation.

Voluntary and local authority funded community based energy initiatives developed in Newcastle from the late 1970s in response to poor housing conditions and fuel poverty. These groups developed an interest in CHP/DH around

- cheaper heating
- development of local energy institutions
- fuel efficiency.

Anti nuclear energy and weapon campaigns in Newcastle including Tyneside Anti Nuclear Campaign, Tyneside for Nuclear Disarmament and the campaign against the proposed Druridge Bay PWR developed an interest in CHP/DH as

- an alternative to a nuclear power programme
- the development of alternative energy strategies
- use of coal.

Finally, Northern Engineering Industries (NEI) a local manufacturer of power engineering equipment was interested in the development of CHP/DH for

- new market opportunities
- export potential
- a national programme of CHP/DH development.

Consequently there was a wide range of local groups interested in CHP/DH on Tyneside. But two groups, local trade unions and local authorities, put the greatest time, resources and effort into the development of CHP. Local trade unions stimulated the interest of Newcastle City Council in CHP prior to the publication of the Marshall report in 1979 and formed links with local tenants, local energy campaigns and anti-nuclear groups over the issue. The local authorities worked closely with NEI management but had an ambiguous relationship

with the local tenants groups and trade unions with whom they were at various times in conflict, supportive or working in parallel.

Trade Unions and CHP: 1976-87

Trade union involvement in CHP/DH follows three distinct phases. Between 1976-79 the trade unions' interest in CHP played a central role in an alternative energy plan to save and create jobs in the power engineering industry. From 1980-83 there was a widening of the CHP campaign through a trade union "Jobs from Warmth Campaign" which formed local linkages with local authority, local environmental groups, local council tenants and national links with other local authorities, Socialist Environmental Resources Association (SERA) and the national Labour Party. Finally, a renewed crisis in the coal and power engineering industry in the region from 1985 resulted in demands for the development of conventional coal fired power stations and CHP/DH in the region.

Crisis in the Power Plant Manufacturing Industry: 1976 - 1979

In early 1976 the power engineering industry was in a state of crisis. The last domestic power station orders had been placed in 1973 and with substantial overcapacity in the system, a decline in electricity demand and new generating plant about to be brought on stream there was "no need to order any new station construction before 1980 at the earliest and perhaps not until 1990"¹. With increasing difficulties in the export market the consequences for the industry were potentially devastating and companies began to make plans for substantial job losses and rationalisation. The power engineering industry consisted of two turbine generator companies GEC Turbine Generators Ltd and C A Parsons Ltd. and two boiler makers, Babcock and Wilcox Power and Process Engineering Group and Clark Chapman Power Engineering Group². In addition there were a number of suppliers of complementary equipment for power stations and many suppliers to the four main companies. The four companies employed a total of 34,000 heavily spatially concentrated in the assisted areas. Tyneside, with an unemployment rate of 8.9% in 1976, was particularly dependent on the industry.

¹ *ERG* 1976 p56-7

² *The UK power plant manufacturing industry experienced a number of mergers in the late 1960's through the Industrial Reorganisation Corporation (IRC). The IRC had organised mergers between three boiler makers - Clark Chapman, International Combustion and John Thompson and between the heavy electrical companies - Reyrolle Parsons and Bruce Peeble Industries. Furthermore the Civil Service, Labour Government and leading industrialists felt that the process of rationalisation ought to continue with a further merger in both boiler making and turbine manufacturing. This was unfinished when the Tories dismantled the IRC in 1970.*

In January 1976 the management of Parsons announced that due to the lack of home power station orders they required 400 redundancies in 1976, 900 in 1977 and a further 700 in 1978 bringing the workforce down to 4,000. A Corporate Committee was formed by the trade unions representing both staff and manual unions and agreed that the Drax B extension, which had been planned for 1980, should be brought forward as the only alternative to massive redundancies in the industry. All the potential job losses were concentrated in Tyneside, workers at Reyolle Parsons were threatened with 300 redundancies, the problem at Clarke Chapmans was not so immediate, but a total of 16,500 workers were dependent on the industry in the region³. The Labour Government responded to the crisis in June 1976 by asking the Central Policy Review Staff (CPRS) to examine the "problems facing the mismatch between plant manufacturing capability and prospective orders". The CPRS made a series of short and long term policy recommendations. In the short term the government should bring forward the Drax B order and provide additional assistance for exports, and in the long term should develop a firm ordering programme for the home market, order a prototype 1,300 MW turbine and "encourage the rationalisation of the industry". However the CPRS maintained that the ordering of Drax B should be conditional on management and union agreement to mergers between GEC and Parsons, and Clarke-Chapman and Babcock and Wilcox, together with the implementation of a rationalisation programme⁴. These proposals were supported by GEC, Department of Industry, Department of Energy, the Treasury, National Enterprise Board, some trade unions and Labour Cabinet members.

After lobbying the 1976 TUC Congress, trade unionists from Parsons and Clarke Chapman met with representatives from Babcock and Wilcox and GEC in Carlisle to discuss the crisis in the power engineering industry. The Power Engineering Industries Trade Union Committee (PEITUC) was formed comprising all the unions in the industry and representing all power engineering plants to develop a unified policy on job retention leading to the eventual expansion of the industry⁵. AUEW-TASS commissioned a report from the TUSIU⁶ which formed the basis of PEITUC policy demands:

1. The immediate ordering of 2,000 MW of new plant is required for 1977 to avoid a collapse of the industry.

³ TUSIU 1976b

⁴ CPRS 1977 pvii - viii

⁵ The unions involved were AUEW, TASS, APEX, FTAS, GMU, Boilermakers, CEPSU and CEPTU representing the following plants Parsons - Heaton Newcastle, Reyolle - Hebburn Newcastle, Clarke Chapman - Gateshead, Wolverhampton, Trafford Park and Derby, GEC at Trafford Park, Rugby and London, Babcock at Renfrew and London.

⁶ TUSIU was formed in 1975 at the instigation of the Newcastle CDP's to provide local research and information services for trade unions. See Foster and Hodgson 1979 p51-54

2. Repair and maintenance contracts should be placed with approved suppliers to put work onto the shop floor and to sustain site construction and commissioning teams.
3. Ordering of a prototype 1200/1300 MW turbine generator is required to enable the UK industry to remain amongst the world leaders.
4. Revision of ECGD terms is essential to enable the industry to operate overseas on the same basis as its competitors.
5. No further mergers should be proposed since this will not result in an increase in efficiency, but will lead to further rundown of the industry.
6. The Government should establish a National Energy Board to formulate policy to regulate energy mix and to produce a firm and steady ordering programme for the future.
7. Greater Government control over the power plant manufacturing industry by a policy of either:
Option A - the setting up of a National Holding Company for the fossil side of the industry. Option B - the nationalisation of the power plant manufacturing industry⁷.

The policy focused on the demands for a steady home ordering programme to secure the future of the industry with the bringing forward of the Drax order for Parsons and Babcock and Wilcox, who faced the most severe difficulties, as the first step. The PEITUC totally rejected the call for private sector led mergers in the industry due to the appalling job losses totalling 64,000 and massive plant closures that followed the IRC sponsored industry mergers in the late 1960s. When the CPRS report was published in late 1976 most commentators felt that the outcome would be a forced takeover of Parsons by GEC followed by a rationalisation programme and many redundancies in the North East. However on July 19th 1977 the Labour Government announced that the Drax B order was to be given to Parsons and Babcock. The North East trade union movement had mounted an intensive lobbying campaign to force the Government to bring forward the ordering of Drax B "ahead of need" without restructuring and despite a number of serious splits, both in the trade union movement and Labour Party, this campaign was remarkably successful⁸.

CHP/DH had been introduced as an alternative option to prevent redundancies early in the campaign. In November 1976 the Vickers National Shop Stewards Committee and the Tyne Conference of Shop Stewards Working Party organised a conference in Newcastle on "Private Profit or Social Need" to stimulate debate about the Lucas and Vickers trade union plans for product diversification. Parsons unions attended to discuss how to fight redundancies in the power engineering industry. Dave Elliott from the Open University argued that the unions could campaign for product diversification, including CHP/DH, as an alternative to the large scale capital intensive technologies favoured by the CEGB. The trade unions argued that "while they were in favour of diversification in the long term, it was

⁷ TUSIU 1976a p58. Very similar demands were made in other trade unions policy documents for instance see CSEU 1976

⁸ The best accounts of the trade union campaign for Drax B are Coventry, Liverpool, Newcastle and North Tyneside Trades Councils 1980 and Ternent 1979a & b.

in the immediate interests of the workforce and the community to campaign for big coal fired power stations"⁹. Work on smaller technologies had to wait until the Drax B order was secured. However following this meeting the PEITUC adopted the following policy on CHP

"While acknowledging CHP is a long term prospect it could provide:

- a considerable improvement, possibly treble the production efficiency of electrical power
- insurance for the well-being of the nation as a whole against the projected shortage of world gas and oil at or about the turn of the century
- additional work for the power industry, particularly if the CEGB refurbishing programme was extended to include the necessary modifications to enable refurbished stations to be utilised for CHP.

We would ask the government to give British industry a chance by a clear declaration of its intention to develop the technology and install CHP schemes in conjunction with the British power industry"¹⁰.

After the Drax B order had been won the Corporate Committee at Parsons and the PEITUC still faced a series of problems. The Drax order would only temporarily delay redundancies between 1977-79, the Government failed to mount a steady ordering programme, there was still intense pressure for mergers in the industry and the unions "realised that employment could not be guaranteed if they continued to rely only on conventional power station orders"¹¹. Consequently the Parsons trade unions started to look at the idea of CHP/DH in more depth and the technology began to occupy a central role in the trade unions' alternative plans for the long term future of the industry¹².

During 1977 a series of discussions and meetings was held which introduced the trade unions to both the concept and wider benefits of CHP/DH. An Open University Energy Research Group report on the future of the Electricity Supply Industry (ESI) made it clear that the introduction of CHP schemes could provide a solution to many of the fundamental problems affecting the power engineering industry through "new orders for turbine modification, condenser replacement and perhaps, some replacement of very inefficient boilers"¹³. A pamphlet was published in 1977 by AUEW-TASS and CSE in Manchester outlining areas of diversification in the industry including the development of CHP¹⁴. The Joint Trades Union Committee at Clarke Chapman produced an alternative corporate plan, largely modelled on the Lucas Plan, in which a variety of alternative technologies was considered including the use of district heating¹⁵. Finally, the Combine again met with Dave

⁹ *Undercurrents* 1976 p5

¹⁰ PEITUC 1976

¹¹ *Wainwright and Elliott* 1982 p145

¹² TUSIU 1981b

¹³ *ERG* 1976 p70-71

¹⁴ *AUEW-TASS & CSE* 1977

¹⁵ *Joint Trade Union Committee Clarke Chapman* 1978 see also *Undercurrents* 1978 p1

Elliott of the Open University to discuss the CHP option¹⁶. A report was produced for the trade unions on CHP reviewing government policy, the obstacles to implementation and the benefits for trade unionists and tenants. It recommended "that the government place immediate orders for a number of combined heat and power schemes to be implemented at old city centre power stations"¹⁷. The report proposed the development of medium sized 50-250 MWe whole city CHP/DH schemes to alleviate the short term problems in the power engineering industry and given satisfactory performance to provide a flow of steady orders¹⁸.

In early 1978 the two turbine generators and two boiler makers in the power engineering industry were involved in complex merger negotiations. These failed and Parsons, Reyolle and Clarke Chapman merged to form Northern Engineering Industries. The Government still failed to implement a steady ordering programme and consequently the Corporate Committee at Parsons began to campaign for the introduction of CHP/DH schemes on job creation and energy conservation grounds¹⁹. The unions argued that the government should prepare a plan for the industry which included CHP as

"the need for revitalisation is most evident in our city centre power stations and should take the form of CHP stations for both industrial and domestic use. This kind of scheme would not only increase power stations overall efficiency but would revitalise derelict inner city areas with industry and housing. It would also bring valuable, alternative and useful work into both the construction and power industries. We believe that it is now time for the government to place pilot schemes for two CHP stations. These should be based either on existing city centre stations or any new industrial estates"²⁰.

The trade union campaign for CHP/DH from 1978 established a range of links and alliances with local consumer groups concerned about rising fuel costs and fuel poverty and environmentalists active in the anti-nuclear campaign promoting new forms of energy production²¹. The unions met with the Socialist Environmental Resources Association (SERA) and took part in a SERA BBC Open Door programme on CHP made in Newcastle where trade unions outlined the improved employment and cheaper heating benefits of CHP/DH. In 1979 PEITUC attended a SERA conference on CHP in Sheffield which helped to develop further interest in the technology²². Work continued on CHP as "such schemes have many attractions - total energy savings, increased employment for the construction industries, revitalisation of inner city areas and additional work for the equipment suppliers

¹⁶ *Alternative Technology Group 1985, Elliott Interview 1988*

¹⁷ *ERG 1977 p3*

¹⁸ *Undercurrents 1977 p3*

¹⁹ *TUSIU 1981b*

²⁰ *Corporate Union Committee 1978*

²¹ *Wainwright and Elliott 1982 p147*

²² *PEITUC 1979*

in the power industry"²³. Tenants from St Cuthberts Village estate in Gateshead took part in the SERA programme describing their huge electricity bills (£120 per quarter in 1979) and the benefits of DH. Newcastle Local Heating Action produced an Anti-Dampness charter through the Newcastle Tenants Federation which called for the development of DH to assist in the defence of the DLO. An alliance was made with the National Right to Fuel Campaign linking the introduction of DH to reducing fuel poverty²⁴. Tyneside Environmental Concern produced a report which called for the implementation of CHP/DH as a response to the crisis at Parsons²⁵. Finally, the most significant links were established with Newcastle City Council Economic Development Committee. After holding a number of discussions with the committee "the City Council eventually agreed to back the campaign"²⁶ recognising that CHP/DH could prevent further job losses in the local power plant industry²⁷.

The Parsons initiative needs to be placed in its historical context. The proposals for CHP/DH developed out of the crisis in the power engineering industry, the Labour Party manifesto policies for industrial democracy and worker participation, the Lucas and Vickers alternative plans and the role of groups, such as TUSIU and academics at the Open University, providing information and support. It was the product of a specific period of deepening recession and rising unemployment. The plans developed in this context "because there seemed to be a possibility of support from the state"²⁸. The Corporate Committee viewed electrical power transmission as socially useful work and essential for the maintenance of living standards. Because Parsons was based around the production of turbine generators the plant would be of limited use for other heavy engineering or small scale production. The threat to Parsons was from Government, the DoI, CEGB, NEB and the GEC management. In these circumstances the Corporate Committee built a broad trade union campaign against mergers, bringing forward Drax, a policy for ordering power stations and the development of CHP/DH²⁹.

"Jobs from Warmth Campaign": 1980-83

With the election of a Conservative Government in 1979 it was clear that any form of public ownership was not a future option for the industry and the power industry workers were

²³ *Corporate Union Committee 1979a p3*

²⁴ *Corporate Union Committee 1979a p4*

²⁵ *Tyneside Environmental Concern 1979. Tyneside Environmental Concern was formed as a voluntary organisation in 1972 to work on environmental issues*

²⁶ *TUSIU 1981b*

²⁷ *TUSIU 1979b p3*

²⁸ *Porter et al 1986 p136*

²⁹ *Corporate Union Committee 1979a*

"once again entering into a period of crucial importance for their future and great uncertainty. A major part of their programme to preserve employment included the promotion of the idea of CHP schemes, a proposal which deserves wider trade union and working class support than it has had so far"³⁰.

The PEITUC held a conference in September 1979 and adopted a new policy statement rejecting any proposals for contraction in the industry, private sector mergers or restructuring and called for a steady ordering programme, assistance with exports, refurbishment, diversification into alternative products, support for alternative and renewable energy and "prototype work, especially lead city schemes for CHP/DH stations, as recommended by the Marshall Report"³¹.

But trade unionists who were active in Parsons campaigning for Drax B and CHP/DH were no longer able to carry on their work. The confidence of the industry's management was strengthened by the Conservative anti-trade union legislation and many activists were forced to take early retirement or were made redundant in the early 1980s³². The campaign for CHP/DH shifted to the TUSIU which now provided a base for the trade unionists³³. In 1980 TUSIU made a successful grant application to Rowntree to progress work on CHP in three areas; to examine the technical and financial issues necessary to progress a scheme in Newcastle; to ensure that the trade union ideas about CHP "were propagated in the community and outside the region"; and to form the basis for "generalising the possibilities of alternative socially useful production to other local workers and in other types of industries and production"³⁴.

In 1981 TUSIU launched the Jobs from Warmth Campaign which "was initiated specifically to promote CHP whilst challenging the approach of the central Government"³⁵. Links were established with the local community, tenants and energy campaigns such as Tyne and Wear Energy Forum and local authorities. A conference was held with the National Council for Voluntary Organisations (NCVO) on community consultation and participation issues and CHP. The unions and local groups were critical of the DEN's treatment of these issues. For instance the assumption that the elderly actually wanted cooler homes³⁶. This concern linked with tenant campaigns for DH as: "Newcastle has been one place where there has been a campaign for district heating in anticipation of the implementation of CHP"³⁷. 50% of the council housing stock in Tyneside faced some form of condensation problem and many

³⁰ TUSIU 1979a p2

³¹ PEITUC Motion Sept 1979

³² Elliott 1987 Interview & Tennent 1987 Interview

³³ Hodgson 1979

³⁴ TUSIU 1980, see also TUSIU 1981a

³⁵ Atkinson 1982 p19

³⁶ Baillie 1981

³⁷ Atkinson 1986b p11-16

estates were installed with expensive and inefficient electric heating. At Cruddas Park estate there was a campaign for DH and CHP³⁸. Newcastle City Council was planning to install electric storage heaters and tenants were concerned at the lack of control, need for extra heating in evenings and high running cost to tenants. They campaigned for DH on the following grounds:

- heating costs are decided upon by the Council and can, therefore, be significantly lower
- radiators can be installed in ALL rooms
- tenants can have instant heat and greater control over the system than some other forms of heating
- heat provided by DH keeps down condensation³⁹.

Both Newcastle Tenants Project and Newcastle Tenants Federation put pressure on the City Council to develop DH and TUSIU provided technical and campaigning support. This campaign ensured that the local authority commissioned a feasibility study of DH for Cruddas Park. But electric storage heaters were installed instead of DH. TUSIU held working group meetings on CHP with the Tyneside local authorities. The trade unions had no direct participation in the local authority CHP proposals and TUSIU's role was limited to raising community, trade union and tenant concerns with the City Council. For instance they wrote to Chair of Newcastle's Economic Development Committee calling for a cheap and efficient heat meter to be made in Newcastle as tenants were dissatisfied with the existing inaccurate meters⁴⁰ and TUSIU was critical of the Council's decision to opt for electric heating at Cruddas Park. Links were also established with local energy groups. For instance during 1981 Tyne and Wear Energy Inform and TUSIU considered "plans to establish a community-owned heat cooperative on Tyneside to administer its own CHP system"⁴¹. The group unsuccessfully sought EEC finance for the scheme and without the resources to develop a scheme the proposal was abandoned⁴². TUSIU also drew support from groups opposing nuclear power stations in the area as a CHP plant could eliminate the need for a nuclear plant at Druridge Bay on the Northumberland Coast. Tyneside for Nuclear Disarmament successfully proposed the policy that Tyne and Wear MCC "should help local energy based industries to develop alternatives to nuclear power" and act "to establish a CHP system on Tyneside"⁴³. Finally, TUSIU undertook research work on

³⁸ *Taylor 1980 p90, 190-2*

³⁹ *Newcastle Tenants Federation 1982*

⁴⁰ *Letter TUSIU to Newcastle City Council Economic Development Committee*

⁴¹ *Letter Tyne and Wear Energy Inform/TUSIU to Newcastle City Council. Tyne and Wear Energy Inform was established in 1981 with a membership of community, voluntary and trade union groups with an interest in energy issues in Tyne and Wear. The group examined energy supply, efficiency, alternative energy and forms of democratic control.*

⁴² *Tyne and Wear Energy Forum 1981*

⁴³ *Coates 1981 p12*

CHP/DH including the social problems of establishing DH, tenant control and payment for heat, institutional issues, examined the Atkins reports from a trade union perspective and prepared a tape slide show package on CHP/DH⁴⁴. Some of this work was funded with small grants from Newcastle City Council in 1982 and Tyne and Wear in 1983.

In 1982 the "Jobs from Warmth" campaign took an increasingly national dimension in an attempt to secure Government support and develop CHP in other cities⁴⁵. The Tyneside authorities were attempting to implement a scheme and TUSIU increasingly focused on building up demands for CHP in other localities and support for the technology nationally. Alternative Energy Groups were formed from a coalition of trade unionists, tenant groups, voluntary organisations and SERA in the Lead and non-Lead cities to progress work on CHP. TUSIU became represented on the National CHP Liaison Group (NCHPLG) and argued that community and trade union interests should be considered in any CHP/DH proposals. In 1982 Jobs from Warmth put pressure on government to implement a scheme as

"the general adoption of whole city heating from electrical generating stations would be of enormous benefit to the community. It would create useful long term jobs and provide a cheap heating supply. This would help alleviate problems of dampness, condensation, fuel debts and disconnection now faced by increasing numbers of households"⁴⁶.

Although both the PEITUC and Parsons Corporate Union Committee continued to meet and campaign for a steady ordering programme most of this activity ceased in 1982. The Parsons Corporate Combine was disbanded as more work was created by the AGR orders placed in 1978. Between 1982-83 NEI was actually recruiting workers for the Heysham and Torness orders. NEI Power Engineering was renamed Nuclear Systems Limited (NSL) and substantial re-equipping transformed the production facilities into a speciality AGR manufacturing plant employing 1,800 workers. NEI was booming and both unions and management also hoped to secure the Sizewell order. TUSIU unsuccessfully attempted to revitalise the Corporate Union Committee but recognised that without the threat of job losses the committee was unlikely to be reconstituted to campaign for CHP/DH. Consequently during the early 1980s work on CHP was mainly concentrated on TUSIU. But from 1983 the level of the activity at TUSIU was reduced due to lack of funds, illness of the project organiser and between 1983-85 the Unit was only able to monitor work on CHP/DH while NEI workers were temporarily protected from job losses through the AGR orders.

⁴⁴ TUSIU 1982b,c & d

⁴⁵ Porter et al 1986 p138

⁴⁶ TUSIU 1982a

Crisis in North East Energy Industries: 1985-87

In 1985 the energy industries in Tyneside were again in a state of crisis. The coal mining industry was being restructured with a huge colliery closure and redundancy programme. In the power engineering industry work on the AGRs finished and GEC was awarded the Sizewell contract. NEI announced major redundancies and plant closures in Tyneside. A renewed campaign in response to these problems was developed between 1985-87. However the character of the campaign was different from the previous phases. Trade Unions lacked the resources and confidence to mount their own campaign and develop alternative plans for their industries. TUSIU now had much closer links with the five Tyneside District Councils who funded the unit's activities. Consequently the response to the crisis in the industry now took the form of joint trade union, TUSIU and local authority action. Five initiatives developed around energy issues, but they were also linked to industrial and regional policy. The demands formulated were directed at the Conservative Government and the policy formulation process in the opposition parties in the run up to the 1987 general election.

In 1985 the Tyneside local authorities commissioned a TUSIU report "Tyne and Wear in Crisis" which assessed the economic and social problems facing the region. The development of CHP was seen as one of the central planks of regional regeneration.

"A commitment to CHP would mean jobs in local mines and factories. A programme to build 5 CHP power stations would have the major advantage over the Druridge Bay plan, even apart from safety considerations, of being labour intensive and based on local labour and expertise"⁴⁷.

The report argued that between 10,500 - 13,750 jobs would be created with the development of the Druridge Bay PWR scheme compared with between 11,540 - 16,270 from 5 CHP plants. In addition 500 permanent jobs would be created at the nuclear plant compared with 7,500 from CHP. Later in 1985 Tyne and Wear MCC, in conjunction with Durham County Council, commissioned a TUSIU report on the "The Case for Coal: The Future of the Northumberland Coalfield". The report examined the threat to the coalfields from the NCB closure programme and the CEGB's nuclear power programme and assessed the social and economic impact on the region. The report presented the case for coal

- on the basis of its strategic importance for the North East economy
- as an indigenous resource that is vital to the energy needs of the nation
- as a major employer and sustainer of local communities
- as against the short sighted policy of building increasing numbers of nuclear power stations rather than coalfired power stations thus closing down an energy option for the future"⁴⁸.

⁴⁷ District Councils in Tyne and Wear/Tyne and Wear MCC 1985

⁴⁸ Tyne and Wear County Council/Durham County Council 1985 p3

Although the report made no specific policy recommendations a number of energy options were examined as alternatives to nuclear power which would use more coal including CHP which would "protect jobs in the mining industry and steel industry"⁴⁹.

In November 1986 the five district councils in Tyneside, Newcastle, Gateshead, North and South Tyneside and Sunderland MBCs, and NEI trade unions formulated a more comprehensive set of energy policy demands because "as in 1976 the industry is facing a crisis"⁵⁰. Between 1978-86 7000 jobs had been lost in the industry in Tyneside, no new orders for domestic power stations had been received since the AGR orders in 1978 and there was increasing competition in a contracting export market. The industry which employed 7000 workers faced the prospect of massive redundancies in an area with 22% unemployment. The report called for

"The Government to recognise the urgent need for power station orders now to enable the CEEGB to meet future energy needs and to ensure the future of the power engineering industry.

The Government to direct the CEEGB to order two coalfired power stations now and to implement a steady ordering programme for power stations.

The Government to recognise the difficulties faced by UK companies competing in international markets and to continue to develop effective export credit arrangements tailored to those markets.

NEI to undertake to preserve its existing Tyneside facilities and jobs on Tyneside so that it can successfully compete for orders"⁵¹.

These demands were based on a case developed on three grounds; that projected increases in electricity demand meant that new coalfired power stations should be ordered while the debate about nuclear power continued; that the survival of NEI was essential for a nationally competitive and efficient industry; and that the region was one of the most economically depressed in Europe and jobs needed to be protected. The main recommendations of the report were that immediate orders be placed for 2 coalfired power stations and the development of a phased, stable, long term programme for domestic power plant orders⁵². But the report makes no mention of initiatives around the development of CHP/DH. This joint district council and trade union initiative received the support of the Northern Regional Councils Association who published a report "Power Engineering: A Future Role in the Northern Region" which set out the regional need for new orders of coalfired power stations. The case for a coalfired power station was made on energy policy grounds and the impact of the loss of jobs at NEI in other companies based in the Northern region. It is estimated that every job at NEI supported two others elsewhere in the region. In addition a coalfired power station would support the mining industry. The report

⁴⁹ *Tyne and Wear County Council/Durham County Council 1985 p18*

⁵⁰ *District Council in Tyne and Wear/NEI Tyneside Trade Unions 1986 p1*

⁵¹ *District Council in Tyne and Wear/NEI Tyneside Trade Unions 1986 p3*

⁵² *District Council in Tyne and Wear/NEI Tyneside Trade Unions 1986 p30*

concluded by arguing for an action plan by government, the industry and regional development agencies which included the ordering of 2 new coalfired power stations, recognition of the regional benefits, and the development of export markets and new technologies. However the report does argue that this plan should be supplemented by orders for CHP⁵³.

Finally, all these initiatives were brought together in a report published in January 1987 "Energy and Employment: The Case for a New Coalfired Power Station in the North East". This was produced by the North East Campaign for Coal set up in 1986 comprising local authorities, trade unions and academics. The report links together the previous joint initiatives by arguing that the region's coal industry could support a new coalfired power station in the region rather than the CEGB's plans for a PWR at Druridge Bay and provide work for the power engineering industries. It is argued that

"An order for a new coalfired power station to be built and located in the North East would safeguard 4000 jobs in the regions power production industry and 9000 mining jobs. In addition 3000 local construction jobs would be created for a 10 year period"⁵⁴.

This would protect and create more jobs than the planned PWR in the region. However the report acknowledges that "constructing a CHP station would also have the effect of creating new jobs and improving the quality of life, whilst making the best use of coal reserves"⁵⁵. Although it is argued that this would also create more jobs than a PWR no comparisons were made between the job creation potential of a conventional coalfired power station and CHP. The report concluded by calling for the development of a conventional coalfired power station in the region while acknowledging that a "CHP/DH scheme would create additional construction and permanent employment"⁵⁶.

The policy demands in this series of initiatives had a number of similarities with the earlier Drax campaign. There was recognition that the crisis in the power engineering and coal industry required an immediate response. The initial focus was on demands for conventional coal fired power stations. Although many of the reports were aware of the wider benefits of CHP the concern was to gain any power station order. CHP/DH took much longer to develop to the stage where turbines were needed and coal demand was at an equivalent level to a conventional coal fired station. Consequently the reports called for the development of a conventional power station in the region but pointed out the CHP/DH would have wider positive implications. The main difference between this phase and the

⁵³ *Northern Region Councils Association 1986*

⁵⁴ *North East Campaign for Coal 1987 p17*

⁵⁵ *North East Campaign for Coal 1987 p16*

⁵⁶ *North East Campaign for Coal 1987 p17*

Drax campaign was the much wider and formal coalition of interests comprising trade unions, local authorities, MPs and academics that built up around the development of alternative energy, industrial and regional policies for the North East region.

Tyneside Local Authorities and CHP/DH: 1977-87

Local authority activity on CHP/DH covers three phases. In the period between 1976-79 the Parsons Unions gained the support of the Tyneside local authorities for the Drax B Campaign and stimulated Newcastle City Council's interest in CHP/DH. Between 1980-85 a consortium of three local authorities, Newcastle, Gateshead and Tyne and Wear MCC, later joined by private sector company's unsuccessfully attempted to implement CHP/DH. Finally, after this proposal failed in 1985 Newcastle City Council and the private sector companies attempted to develop a commercial CHP/DH scheme.

Links with Trade Union CHP/DH Initiatives: 1976-79

During 1979 links were established between the Parsons trade union campaign for CHP and Newcastle City Council. The City Council's Energy Adviser and Economic Development Officer were both aware of the opportunities that might be created for the development of CHP by the publication of the Marshall Report. In June 1979 the Parsons Unions were invited to address Newcastle's Economic Development Committee on CHP. Many of the trade unionists and councillors had already met⁵⁷. In 1976 the Parsons Shop Stewards had obtained the support of Newcastle City Council, North Tyneside and Tyne and Wear County Council for the Drax B order⁵⁸. At the 1979 meeting the Corporate Union Committee of Parsons outlined the economic and social benefits of CHP, the action they had taken and requested that the local authority take the issue further⁵⁹. Newcastle Economic Development Committee gave their full support to the trade union CHP initiatives based on the positive implications for local industry and wider social benefits. The City Council also met with NEI management to discuss the issue and the firm offered to provide technical and engineering assistance if the city council further investigated the option⁶⁰. NEI had built a CHP generating plant for the Vassa scheme in Finland but the company made a loss on the project and it took two years of campaigning by the trade unions and the City to persuade the company that it was worth considering CHP. Newcastle City Council decided to take the issue further. A report was prepared Newcastle put forward a distinctive local authority perspective on the evaluation of CHP identifying local benefits which were

⁵⁷ *Ternent 1988 Interview*

⁵⁸ *Minutes of Meetings, Letters to Benn and Varley 1976. The leader of Newcastle wrote to both Benn at the DEN and Varley at DoI calling on them to bring forward the Drax B order.*

⁵⁹ *Newcastle City Council 1979a, Minutes of Meeting Newcastle City Council and Parsons 28th June 1979*

⁶⁰ *Minutes of Meeting Newcastle City Council & NEI 26th June 1979*

excluded from national assessments of the option⁶¹. A version of this report was sent to the DEn to ensure that Tyneside was placed "ahead of the field" if the government examined the feasibility of CHP⁶².

Tyneside Local Authorities and CHP/DH: 1980-85

In this period the character of the local authority activities changed. What had started as local authority support of the trade union campaign quickly moved to a local authority initiative on CHP in conjunction with the DEn programme to establish Newcastle as the Lead City. The trade union initiative developed in parallel on a wider front through the Jobs from Warmth Campaign.

There were a number of changes in the organisation and aims of the Newcastle initiative at the start of 1980. Tyne and Wear MCC became involved with the Newcastle proposals when they realised that CHP/DH had the potential to deliver important social and economic benefits to the region. Both authorities made a successful bid to the Inner City Partnership Programme for £80,000 split between each council to undertake work on CHP. The early position was that it was for central government to tackle the technical issues and that the authorities were "necessarily in a responsive position, taking a lead from central Government"⁶³. The two authorities made a submission to the EEC for funding but this came to nothing. This series of initiatives eventually came together in February 1980 when Newcastle, Tyne and Wear and NEI produced a report for the DEn proposing a jointly funded feasibility study of CHP on Tyneside to establish Newcastle as a lead site for CHP⁶⁴.

In April 1980 the Government announced the pre-feasibility Atkins study of CHP which commenced in Tyneside during October. Newcastle's work complemented the work of the Atkins consultants by considering the "practical problems and opportunities that a CHP/DH system will present to the provision of local authority services". Tyne and Wear MCC provided the consultants with information on the region. NEI undertook research for Newcastle to examine the potential for constructing DH schemes and assisted with technical and engineering information. These local studies were designed to assist Atkins and place Tyneside in the lead for a local authority led scheme. At the end of 1980 drafts of the Atkins report became available and had a number of important implications. Atkins concluded that initially at least North and South Tyneside should be excluded from the studies as the heat load was less favourable, the Western part of the city was closer to Dunston power station

⁶¹ *Newcastle City Council 1979b*

⁶² *Newcastle City Council 1979c*

⁶³ *March 1981 p9*

⁶⁴ *Newcastle City Council, Tyne and Wear County Council and NEI 1980*

which could be used for CHP and there were advantages in having less local authorities involved. But as the report was generally favourable Gateshead MBC agreed to become involved in the investigation of CHP.

In March 1981 the Government announced that Stage 1 studies of nine cities including Tyneside would take place. The local authority studies continued to complement and extend the work of the DEn. A CHP Joint Working Group was set up at a member level between the three local authorities Chaired by Councillor Gill from Gateshead with the Vice-Chair, Councillor Russell from Newcastle City Council. The three authorities together pursued CHP in terms of funding and political action. The local authorities refused to attend a District Heating Association meeting of all the interested cities(see chapter 8). In June a briefing meeting was held for MPs trade unions and other local interest groups to make them "aware of the opportunities and problems that CHP represents". At this stage the authority's assumed that the CHP scheme would be developed and operated by a Local Heat Board as suggested in the Marshall report. The local authority's saw themselves as the natural focus for CHP and essentially it would be a "municipal development"⁶⁵. During 1981 a series of Newcastle discussion documents outlining the advantages of CHP was published⁶⁶.

In July 1982 the Atkins report CHP/DH Programme feasibility Stage 1 was published concluding that all nine cities had the prospect of commercial viability. The Tyneside scheme was placed in the middle of the ranking and all three authorities decided to bid for the second stage and "informed the DEn that the authorities were eager to participate in the next stage"⁶⁷. In November 1982 the authorities prepared "CHP for Tyneside: A Submission to the DEn". This was a broad statement of intent outlined the formulation of financial and organisational arrangements for the Stage 2 study. The local authorities developed four guiding principles:

- The potentially profound implications of CHP/DH development on local communities makes it *essential that local authorities have a prominent and continuous role in local development.*
- The magnitude and complexity of development require *that the local authorities work directly with government and the ESI to secure progress.*
- The nature of the development of a scheme necessitates an approach which is not a conventional public investment programme and *it is essential that a flexible approach to the involvement of private sector interest be made on technical, financial and consultative issues.*

⁶⁵ March 1981

⁶⁶ Newcastle City Council 1981a-d

⁶⁷ Newcastle City Council, Gateshead MBC & Tyne and Wear County Council Joint CHP Working Group 24th Sept 1982

- Development will take place over a long term period *and social and financial reasons require that all approach to development is incremental*⁶⁸.

This policy signalled the erosion of the assumption that CHP would only be a municipal development. The authority's recognised the constraints on local authority funding and signals from the DEn indicated that the Government wanted some form of private sector involvement excluded the totally municipally controlled option. The group felt unable to take any further initiative until Central Government responded but the authorities decided that if government support was not forthcoming the authorities would go ahead with their own scheme.

From January 1983 the authorities lobbied the DEn to make an announcement on stage 2 studies. As there was no announcement the local authorities continued activity on a number of fronts. A report was prepared outlining how the local authorities would take forward the stage two studies focusing on institutions, organisation, funding and content of study to "demonstrate that stage two studies can be commenced on Tyneside without delay, given an appropriate decision to proceed on the part of the government"⁶⁹. The authorities now conceded that "private organisations would provide funding", have "an active part in the local CHP/DH organisation" and an independent company limited by guarantee was now seen as a "good model" for the organisation of the scheme⁷⁰. There was pragmatic acceptance that the need for central assistance meant that the local authority could not resist government proposals and it was unrealistic to aim for an entirely municipally based approach. The two safeguards against exclusion were the local authority control of substantial parts of the heat load and refuse incineration. But there was no government response to the report. The CEGB agreed to conduct a feasibility study of potential CHP stations in Newcastle either converting Stella power station or constructing a new one at the Dunston site. However the CEGB would not investigate the DH option. In response the local authorities decided to do further detailed studies to supplement the CEGB study to examine how the first stage of CHP might be developed and how the private sector could be involved on the assumption it would improve their chances of selection. In September 1983 Atkins were appointed using £50,000 from the partnership programme to undertake a 6 month evaluation of the options for CHP development⁷¹.

On April 5th 1984 the government announced that it would provide funding for work towards the implementation of CHP in three cities and local authorities were asked to bring forward

⁶⁸ Newcastle City Council, Gateshead MBC & Tyne and Wear County Council November 1982 original emphasis

⁶⁹ Newcastle City Council, Gateshead MBC & Tyne and Wear County Council November 1983

⁷⁰ Newcastle City Council 1983

⁷¹ Newcastle City Council 1983

consortia proposals for 31st July 1984. This coincided with the publication of the local authority commissioned Atkins Summary report on CHP in Tyneside which examined two CHP schemes one based on the conversion of Stella power station the other on a new refuse incinerator⁷². The refuse incinerator provided the best option to be built at a cost of £70m, with a rate of return of 4.7% and a heat price 30% cheaper than gas. However before examining the report the authorities had to put together its consortium to bid for DEn funding.

The Association for Tyneside CHP was formed comprising the three authorities and six private sector interests. The ESI was not included as the proposed scheme had a small electrical output being based on a refuse incinerator. However, the waste disposal authority Tyne and Wear MCC was currently preparing a new waste disposal strategy based on landfill. This excluded the incineration option which was considered too expensive. This problem had not been raised in the joint working group meetings but now became an issue as the consortium submission was based on refuse incineration. Tyne and Wear would not agree on a form of wording in the consortium prospectus that could commit the authority to building a new incinerator. The County agreed to provide refuse to a privately operated incinerator but only at the same cost to the authority as landfill. This would have made a CHP scheme uneconomic. A more general wording of the refuse scheme was included in final submission to the DEn which the other authorities felt weakened the bid⁷³. At the end of July the Association for Tyneside CHP presented a submission to the DEn with the private sector members providing finance of £180,000 and local authorities £70,000⁷⁴. In October 1984 the CEGB study reported and concluded with very expensive heat costs from Dunston and Stella due to assumptions about the future expansion of nuclear power⁷⁵. However the Association focused on the refuse incinerator option.

Consortium proposals and CHP/DH:1985-87

In 1985 the Government announced that Leicester, Edinburgh and Belfast had been selected as lead cities with government financial support. The Association for Tyneside CHP was very disappointed not to be selected and could not persuade the Government to provide any more support⁷⁶. The Association reviewed the situation and decided what action to take. Gateshead and Tyne and Wear both withdrew from the Association as the authorities could not afford to provide staff resources to maintain support for the scheme

⁷² *Atkins and Partners 1984*

⁷³ *CHPWG 20th July 1984 and Note for Leader of the Newcastle Council*

⁷⁴ *Association for Tyneside CHP 1984*

⁷⁵ *CEGB 1984*

⁷⁶ *Newcastle City Council 1985a*

without government support. Newcastle City Council continued to provide staff time and resources to the scheme. A CHP Sub-Committee of the Policy and Resources Committee was established chaired by Councillor Russell. Newcastle now took over promotional work for the NCHPLG as the city was "ideally placed to put forward the national case for CHP"⁷⁷ (see chapter 8). All the private sector companies decided to continue with the Association and provided resources on a voluntary basis.

In the early part of 1985 the Association began work on a new core scheme which could be funded by the private sector. Gateshead was excluded, areas of high density housing in Newcastle included and the DH network designed around selected consumers without allowance for future large scale expansion of the scheme. There was still a serious problem with Tyne and Wear waste disposal strategy. Newcastle City Council was concerned that "CHP has not been seriously considered as an option for the future. At some point the decision seems to have been taken to rule out, or ignore CHP as a serious possibility"⁷⁸. They found this hard to understand because of Tyne and Wear's involvement in the CHP proposals and absence of any reason for excluding the option. Newcastle City Council called for the examination of the CHP option. Consequently the Government decision not to award Newcastle lead city status placed serious difficulties on the further continuation of the project. The work now had to concentrate on a small core scheme, specific expertise could not be brought in and delays were inevitable as all the work was on a voluntary basis⁷⁹. Between 1985-87 a series of evaluations, reports, reappraisals, reassessments on a voluntary were prepared by NEI, Newcastle City Council and the financial advisers trying to identify a core scheme which would be self contained and "offer a commercial rate of return". However it was proving difficult to design a commercially viable scheme without government support to underwrite some of the risk. The consortia continued to negotiate with the districts over the refuse option. At the same time the CEEGB reassessed the potential heat sources for the core and complete schemes. Three options were considered, conversion of Stella, construction of a new coal fired plant and a new combined cycle plant. None of these options could undercut the refuse option but the results were contentious due to the high CEEGB estimates of the heat cost.

In October 1986 the Association concluded that the project's rate of return was too low to attract private sector funding, that there was still major uncertainties about availability of refuse, and that the environmental impact of an incinerator in the city was a problem. Newcastle City Council wanted to terminate the consortium agreement and bring in new

⁷⁷ *Newcastle City Council 1985c*

⁷⁸ *Newcastle City Council 1985b*

⁷⁹ *Newcastle City Council 1985d*

members to examine other options for CHP. The commercial members disagreed and the threat of legal action prevented the authority from terminating the agreement. The consortium decided to have one last attempt at seeking Government support. In May 1987 a final report by the Association presented the main conclusions of the Tyneside CHP studies using refuse as the main fuel source with the following benefits

- Energy from waste: sufficient to meet the annual heating needs of 24,000 people, plus 55 million units of electricity (Kilowatt hours). Ultimately this energy will reduce UK imports and improve the balance of payments.
- Exceptionally low generating costs: down to 0.6p per unit.
- New employment: created in an area requiring further economic regeneration. Over 500 jobs during each of the 2 years of construction, and 70 on-going jobs during the project lifetime.
- Substantial economic benefits in every year of the project: savings in unemployment benefits, gains from personal taxation, rates revenue etc, equivalent to a capital benefit of £12 million in today's values.
- A New energy infrastructure: complementing other investments on Tyneside such as the Metro, the River Tyne Interceptor service, Housing and Commercial developments⁸⁰.

The Association had spent an estimated £185,000 since 1985 preparing the submission but needed a further £200,000 from the Government to advance the project to the stage where it could be taken to outside investors. The report was sent to the DE but the response was delayed by the 1987 election. Eventually in October 1987 the new Energy secretary Cecil Parkinson wrote to Councillor Russell and stated that "it will not be possible for my Department to contribute towards the funding the Association seeks to extend the scope of the feasibility study"⁸¹. Consequently the scheme was abandoned.

LOCAL - NATIONAL LABOUR PARTY INTERFACE AND CHP/DH

There is a strong set of linkages between the local units of the Labour Party in Tyneside and the national Labour Party over the issue of CHP/DH. Tyneside is unique because of the important role of local trade unions in the development of linkages with the national party. Consequently there is a rich set of local-national interactions, using a variety of channels and proposing different forms of localisation. The linkages between the local and national Labour Party are analysed in different phases of trade union and local authority interest in CHP.

Tyneside Trade Unions

The trade union linkages with the national Labour Party over the issue of CHP is analysed in terms of the three phases of union interest in the technology. Each of these phases has

⁸⁰ Association for Tyneside CHP 1987

⁸¹ Letter Parkinson to Russell

important implications for the type of interface formed with the national party and the forms of localisation being proposed.

First, between 1976-79 the Drax B and CHP/DH campaigns. In response to the crisis in the power engineering industry the Tyneside trade unions, working through the PEITUC and Parsons Corporate Combine Committee, developed a campaign to protect jobs in the industry by persuading the Labour Government to bring forward the order of the Drax B extension. This campaign focused solely on demands for the development of a conventional coal fired power station and not CHP as the need was to secure an order which would create work at Parsons and Babcock and Wilcox almost immediately. The unions lobbied the Labour Party conference in 1976 and 1977, the TUC in 1977, the Northern Group of MPs, 80 CLPs, the National CSEU conference, the NUM Conference and the NEDO⁸². There were also regular Parliamentary lobbies, a series of meetings with the Ministers responsible for the industry and many documents and leaflets were produced. The campaign was successful and the Drax B order was announced in July 1977. Considerable ingenuity was used to form links with the Labour Government for instance - "At one crucial stage when the Cabinet was in session, deciding what to do about the industry, the Parsons workers appropriated the firm's telex machine and having obtained the telex code for the Cabinet office started telexing messages urging the Government to advance the Drax B order with no strings attached. These messages were being received directly into the Cabinet until someone pulled the plug out at the London end"⁸³. In addition the unions were able to telephone Tony Benn directly from the shop floor to discuss their case⁸⁴.

Although the short term objectives of the Combine Committee had been met the power engineering industry still faced serious long term problems unless a regular power station ordering programme was developed. Consequently from 1978 the unions began a campaign within the Labour movement to gain the Labour Governments support for CHPs implementation. At the 1978 Labour Party conference the PEITUC lobbied 45 Government ministers, MPs and prospective candidates (including Sheffield and Newcastle MPs), 20 trade union officials and set up meetings with Tony Benn, Energy Secretary, and Williams at Industry⁸⁵. The unions warned the Labour Party that despite the Drax order the industry was still in crisis and that in response

⁸² TUSIU files

⁸³ *Ternent 1979b p10.*

⁸⁴ *Ternent Interview 1987*

⁸⁵ TUSIU files.

*"the Government must place 2 pilot schemes for CHP stations now, if they are to form an effective part of energy conservation and efficiency in the future. The pilot schemes should be based on existing city centre stations or of a new design such as fluidised bed combustion"*⁸⁶.

The unions wanted "some indication of the patterns of the (power station) refurbishing programme and the possibility of pilot schemes on CHP plant"⁸⁷. Although Benn was sympathetic to the CHP concept he felt unable to take action until the Marshall Report was published. He argued that in any case the refurbishment of old power stations was up to the area boards. Alan Williams at the DoI was less supportive and argued that there was little his Department could do to develop CHP⁸⁸. These meetings were followed by discussions with local MPs, in the House of Commons, where the trade unions successfully lobbied to support their position. As part of the wider campaign the Tyneside unions commented on the 1978 Energy Policy Green Paper and called for the development of CHP while criticising the DEN for their lukewarm attitude to CHP. In 1979 the Parsons unions were working with the Newcastle City Council, SERA and National Right to Fuel Campaign for the implementation of CHP. Pressure was still being put on Benn to implement CHP and protect older urban power stations sites. But the Marshall Report was still awaited and he argued that refurbishment was an issue for the CEGB. The unions continued to raise "the question of CHP systems in meetings with government ministers"⁸⁹. However at the 1979 election the Labour Government was replaced by a Conservative administration. The trade unions now had to deal with the Labour Party in opposition.

Although there was work in the Parsons factories for the Drax order and subsequent AGR orders the unions placed "emphasis.. on the demands for pilot (CHP) schemes and this was projected - along with our other demands - at lobbies of the TUC, CSEU, and Labour Party conferences"⁹⁰. The union campaign was aimed at ensuring that the trade union movement and the Labour Party adopted policies supporting the implementation of CHP within their broader energy strategies. In 1979 the unions secured support from the TUC conference for CHP, the TUC Fuel and Power Industry Committee (FPIC) argued for the implementation of CHP following the publication of the Marshall Report and interest in CHP was spreading more widely amongst the union movement. At this stage the TUC were reviewing energy policy and consulting with David Owen, shadow Energy Spokesman, on the content of policy. The unions lobbied the 1979 Labour Party Conference using the Newcastle City Council document on CHP as a basis, spoke to Owen and MPs - Hooley (Sheffield) Cowans and Brown (Newcastle). Owen agreed to further discussions on the

⁸⁶ *Corporate Union Committee 1978*

⁸⁷ *Letter from Corporate Union Committee to Benn 2nd Oct 1978.*

⁸⁸ *Williams would not meet with the trade unionists until they submitted a list of questions.*

⁸⁹ *Corporate Union Committee 1979a p3*

⁹⁰ *Corporate Union Committee 1979a p4*

subject. However, the Labour Party energy composite meant "all things to all men(sic)" and failed to make specific mention of CHP⁹¹ (see chapter 9). Linkages were developed with local and regional representatives of the national party at both MEP and MP level. In November the unions approached the Tyneside MEP Gordon Adam who had a special interest in energy issues and agreed to investigate potential sources of support from the EEC for CHP. In December a joint meeting of the Northern and North West groups of Labour MPs was held to discuss the issue. The Parsons unions argued that the party should support the Marshall report's proposal to establish a National Heat Board as a "minimum first step" and it "should be a significant part of Labour Party energy policy"⁹². Both regional groupings of MPs agreed to support CHP in Parliament and the party.

Although the PEITUC and the Parsons Unions were able to put pressure on the Labour Government to bring forward the Drax B order ahead of need, they were unable to implement CHP. The Labour Government argued that it could not take any action on CHP until the publication of the Marshall report. But the report was eventually published after Labour lost the 1979 election. In response the union campaign changed to focus on the Labour Party in opposition in an attempt to develop a policy for CHP. The national party did respond by professing support for CHP and the union campaign. But support in principle was not transformed into a policy for CHP, developed and adopted by the Labour Party.

In the second period between 1980-83 the linkages with the national party changed significantly. The Labour Party was now in opposition and the Parsons trade unions were unable to directly campaign with a Labour Government for CHP for CHP/DH. The campaign was now based on TUSIU which shifted from its initial local focus to an increasingly national level lobby for CHP/DH. Part of the content of the linkages with the national party was based around placing pressure on the Conservative Government to implement CHP/DH. However also during this period the most significant impact was made on formal Labour Party policy for CHP/DH.

During 1980 the unions continued to meet with the Northern and North West Group of Labour MPs who asked questions in Parliament about the Government's plans for CHP and arranged meetings with ministers to discuss CHP. The unions lobbied the Labour Conference and made a statement to conference seeking support for CHP/DH. But no policy statement in support of CHP was made and some Tyneside unions were critical of the party's failure to push CHP. For instance the Newcastle AUEW was critical of the draft 1980 Labour Party Energy Policy document because it failed to mention CHP/DH.

⁹¹ *Tement Interview*

⁹² *Corporate Union Committee 1979b*

In 1981 TUSIU launched the Jobs from Warmth Campaign to promote the development of CHP at local and national levels. This "caucus of activists" was "working to change Labour Party and TUC policy to oust nuclear power and introduce CHP"⁹³. An intensive campaign for the implementation of CHP in the Labour Party was developed. Model resolutions calling on the Labour Party and trade unions to adopt supportive policies for CHP were sent to CLPs, DLPs and trade unions from 1981. This was submitted as an emergency resolution to the 1981 conference by Newcastle Central CLP and was only just defeated due its linkage with an anti-nuclear policy. However, as a result of this motion and the campaign, TUSIU was invited to send a representative to the Labour Party Energy Sub-Committee to assist in the development of Labour Party policy on CHP. Membership of the Committee was limited to Labour Party members. The main organiser of the TUSIU campaign was a member of the Socialist Workers Party, so David Baillie, who had an interest in energy issues and worked with TUSIU, was appointed instead. Baillie was able to push through a policy statement in support of CHP which was adopted at the 1982 Labour conference. In a report to Tyne and Wear MCC for further funding the Jobs from Warmth campaign TUSIU were able to state that their local representative on the Labour Party NEC Energy Sub-Committee had "been partially responsible for the inclusion of CHP/DH in the Labour's programme in 1982". It was adopted by conference and comprised the party's most detailed statement on CHP (this issue is discussed further in Chapter 9).

In 1982 many of the ideas developed by the Newcastle trade unions were incorporated in to an alternative plan for the region "Jobs for a Change: Alternative production on Tyneside" produced by Newcastle Trades Council and local anti nuclear campaigns⁹⁵. The plan linked existing military and nuclear energy production in Newcastle with proposals for alternative socially useful production for these industries. The plan suggests a number of policy proposals that a future Labour government could implement. The energy policy proposals would "imply a re-ordering of priorities at all levels of the economy, in effect the creation of an new energy strategy into which Government departments, councils and private and public industries would fit their programmes"⁹⁶. It called for the development of CHP nationally and in the region, while local authorities could "take on the job of administering the non nuclear energy strategy in their own locality: such a strategy, with its bias towards conservation and local supply, would, after all, call for a local level of coordination. Thus a

⁹³ Atkinson 1982 p19

⁹⁴ TUSIU Application for Grant Aid, Report to Tyne and Wear MCC Economic Development Committee 2/2/83.

⁹⁵ Newcastle upon Tyne Trades Council, Tyneside Anti-Nuclear Campaign, Tyneside for Nuclear Disarmament 1982

⁹⁶ Newcastle upon Tyne Trades Council, Tyneside AntiNuclear Campaign, Tyneside for Nuclear Disarmament 1982 p9

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new and vital role for local authorities could emerge"⁹⁷. This plan drew upon many of the trade union and local authority ideas developed around CHP/DH and was seen as a radical departure from Conservative and past Labour government policies. However the plan did not become a formal Labour policy making document. But a number of other local authorities such as Sheffield and the GLC subsequently developed local and regional plans which included CHP and became part of national Labour Party policy (see chapter 6 & 7).

At the 1983 election the Labour Party manifesto contained the 1982 conference decision on CHP which had been proposed by the TUSIU delegate on the Energy Sub-committee. This was the Labour Party's most detailed policy statement on CHP. Consequently in this phase the Newcastle trade unions were largely responsible for Labour's adoption of a policy supporting CHP (see chapter 9). From 1983 -1985 Trade Union activity on CHP slackened due to the lack of funding for the Warmer Campaign and new jobs were created at NEI to work on the AGR orders so that there was little impetus to develop alternatives or form linkages with the national Labour Party. In any case the national party had now adopted a policy in support of the CHP and the Tyneside local authorities were leading on the issue locally.

In 1985 the power engineering industry was again in a state of crisis due to lack of power station orders. A Joint Union Committee was re-constituted at Parsons and lobbied for the construction of conventional coal-fired power stations and even the possibility of nuclear stations. Between 1985 and 1987 this campaign intensified as the crisis worsened and a series of energy reports and campaign documents were produced in the region by a consortium of trade unionists, local authority's, MPs and other organisations. These focused on demands for the development of alternative energy policies which would provide work for the power engineering and coal mining industries particularly through the construction of new coal fired power stations in the region. These demands were aimed at both the Conservative Government and the Labour Party in opposition.

The Labour front bench energy team was closely involved in the launch and promotion of many of these reports. For instance Stanley Orme, Shadow Energy Spokesman, launched the Case for Coal document in February 1986 and promised to prepare a new plan for coal and "support for the extension of CHP schemes"⁹⁸. Orme made renewed calls for the ordering of two coal fired power stations. For instance in Newcastle at a meeting with the NEI Joint Union Committee Orme said "I shall back this campaign to the hilt. We in the

⁹⁷ *Newcastle upon Tyne Trades Council, Tyneside AntiNuclear Campaign, Tyneside for Nuclear Disarmament 1982 p21*

⁹⁸ *Press release 4th February 1986*

Labour Party will continue to put pressure on the Government to immediately order two coal fired power stations"⁹⁹. Orme wrote an introduction to Energy and Employment in which he advocated the ordering of two new coal fired power stations in "line with Labour's policy". Links were maintained with Newcastle MPs who used the documents to campaign for the development of a coal fired power station. This included Nick Brown MP (Newcastle East), an Opposition Energy Spokesman and Ronnie Campbell MP (Blythe Valley) who asked questions in Parliament and campaigned for a new coal fired power station to assist NEI and raise local colliery output¹⁰⁰. The Northern Regional Council of the TUC (NRTUC) called a special conference to discuss energy policy and the following motion:

"This NTUC Annual Meeting supports the campaign within the Labour Party for an integrated national energy policy which takes account of the particular needs of the region. For the North East this policy would require:

- a. an extension of the Blyth Power station as a coal fired station, rather than the building of a PWR nuclear station at Druridge Bay.
- b. a long term commitment to the use of coal for electricity generation and a halt to the pit closure plan.
- c. the development of a full combined heat and power scheme for Tyneside, Wearside and Teeside".

The motion was almost unanimously passed at the NRTUC conference and along with the TUSIU document *The Future for NEI in Tyne and Wear* used for representations to Government and the national Labour Party. Orme addressed the conference, criticised Government policy, reiterated the Labour Party's commitment to develop an integrated energy policy, promised to develop coal fired power stations and collaborate with local authorities to establish domestic insulation programmes and develop "coal based CHP schemes wherever appropriate"¹⁰¹.

The aim of all these reports, meetings and discussions was to gain a commitment from the national Labour Party before the 1987 election to build a power station in the North East. "All our efforts at this stage were into putting things on to the agenda for an election"¹⁰². Although the trade unions and local authorities recognised that in terms of job creation and wider economic and social benefits CHP was a better option than conventional coal fired power stations, CHP would take longer to develop. Consequently because of the time scale, coal use and acceptability issue the demands focused on seeking a commitment to build conventional coal fired power stations¹⁰³. As in the Drax period the campaign had to focus on the most readily available solution to the crisis in the industry: constructing coal

⁹⁹ *Evening Chronicle* 31/10/86 p3.

¹⁰⁰ *Newcastle Journal* 21/11/87

¹⁰¹ *Conference proceedings* 1986 p8

¹⁰² *Thorpe Interview* 1988

¹⁰³ *Thorpe, Green and Tement Interview* 1988

fired power stations. CHP was again seen as a longer term option. The basic problem was that it would take much longer to develop a CHP programme that would provide equivalent job creation in the power engineering and coal mining industries to the construction of a conventional power station. However, once the commitment was gained to build a power station in the North East this could then be used as a basis for negotiating with a Labour Government over CHP¹⁰⁴. Orme was able to support the demand for conventional stations. It helped to take pressure away from nuclear debate in the Labour Party, the technology was easily understood and it would use more coal. In 1987 the Tyneside Unions won a clear policy commitment from Orme and then Prescott to develop a coal fired power station in the North East on jobs, industrial and regional policy grounds. This was contained in a policy document produced by the regional party "The North Can Make It".

Local Authorities

The Tyneside local authorities developed a wide range of linkages with the national party over the issue of CHP. But to a large extent they followed the linkages already developed by the trade union movement in the region. In any case the trade unions had introduced CHP to the local authority's prompting them to take action on the issue. Consequently many of the linkages with the national Labour Party were developed after 1979 to place pressure on the Conservative Government to support the implementation of a CHP scheme in Newcastle. The nature of the interface with the national party is examined in each of the three phases of local authority interest in CHP.

In the first period between 1976-79 the linkages with the national Labour Party were focused on supporting the Parsons unions campaign for CHP. All the Tyneside local authorities, following approaches from the unions, contacted Government ministers and urged them to bring forward the Drax order. In 1979 the Parsons unions built upon their earlier contacts with Newcastle City Council and encouraged the authority to investigate the feasibility of implementing CHP in the area. Newcastle City Council sent a letter to all the local MPs requesting their support in discussions with the DE who had been informed of the councils interest in CHP¹⁰⁵. Contact over the issue was made with Owen who became Shadow Energy Spokesman after the 1979 general elections. The local authority was "interested to hear from you what our party's view of the employment implications of energy policy will be, in the light of the increasing urgency in addressing ourselves to these two critical areas of employment and energy"¹⁰⁶. The party did not have a policy on CHP but Owen agreed that

¹⁰⁴ *Thorpe Interview 1988*

¹⁰⁵ *Newcastle City Council files*

¹⁰⁶ *Letter Newcastle City Council to Owen*

he would "certainly push it hard"¹⁰⁷. The main aim was to seek assistance from the national party for persuading the government to support the Newcastle scheme.

Between 1980-85 Newcastle City Council was joined by Gateshead MBC and Tyne and Wear MCC to promote the development of CHP in Tyneside. Close linkages were developed with the national Labour Party. A particular feature of the linkages was the consistent contact maintained with local Labour MPs. The authorities drew up lists of local MPs, who were mainly Labour, to lobby over CHP. These contacts coincided with the development of links with the Northern Group of Labour MPs whose officers usually included a Newcastle member. These efforts continued in April with lobbying of the DEN through MPs and the AMA. However, it became clear that these efforts might be counter productive as the authority was "warned that Newcastle's bid for lead city status is being sold too hard and that this could prejudice the proposal"¹⁰⁸. In June the local authority contacted the local MEP Adam Gordon to examine the possibility of EEC funding for the proposal.

In 1981 the local authority refused to attend joint local authority District Heating Association (DHA) meeting which led to the establishment of the National CHP Liaison Group, on the basis that this could prejudice their relations with the DEN (see Chapter 8). But in 1982 the Tyneside authorities now agreed to attend DHA meetings and which adopted a strategy of seeking support from trade unions, political parties, MPs, MEPs industry and commerce and asking questions in the Commons. The Tyneside authorities played an important role in the NCHPLG activities and continued to maintain close contacts with local Labour MPs and the Northern Group.

In November 1983 the DHA was re-launched as the CHP Association (CHPA) in House of Commons. Local authorities and MPs attended and following discussion agreed to follow up the meeting. This was arranged by a Newcastle councillor and a local MP for 6th December. Councillor Gill from Newcastle opened the meeting between CHP lead city MPs and local authority representatives "to find ways by which pressure can be applied on the Government to give a speedy, favourable response to CHP"¹⁰⁹. MPs felt they lacked information about CHP. It was agreed to prepare lists of parliamentary questions, meet with Stan Orme and prepare a briefing paper for MP's on CHP. Local Labour MP MacWilliam tabled a question on 12th December. Contact was made with Orme who was sent a list of questions to table in Parliament, he agreed to try to arrange a "teach-in" for Labour MPs on

¹⁰⁷ Letter Owen to NEI 11th February 1980

¹⁰⁸ Letter Tyne and Wear MCC to Newcastle CC

¹⁰⁹ Minutes of meeting

CHP and possible further meetings in January. But these came to nothing probably because of the pressure from the miners strike. However, in early 1984 a meeting was held between the Parliamentary Labour Party (PLP) Energy Committee and local authorities to discuss the pressure that the Labour Party could place on the Government to implement CHP.

In this period the local authority's main concern was to implement a CHP scheme in Tyneside. Consequently most of the contacts with the national Labour Party were orientated around placing pressure on the Conservative Government to support CHP. The local authorities were aware that the TUSIU was working to secure a change in Labour Party policy which would lead to a formal policy commitment to develop CHP. The local authorities did not replicate this pressure although their contact with Shadow ministers through the NCHPLG and contacts with local MPs kept the pressure on the national Party to support CHP. However other local authorities, particularly Sheffield and the GLC, attempted to replicate many of the ideas developed around local energy planning and CHP in Tyneside¹¹⁰ (see chapter 6 & 7).

After 1985 only Newcastle City Council was able to carry out work on CHP in Tyneside. Between 1985 and 1987 Newcastle was forced to remain in the consortium assessing CHP which they really believed had very little chance of being implemented. In 1985 Councillor Russell felt "that, under the present government, progress is likely to be slow. But CHP would be well placed should a Labour or Alliance Government gain power in 1987 or 1988 and seek investment in infrastructure to stimulate growth and create jobs. Just as the road-construction in the sixties and seventies was the infrastructure investment of its time, so CHP can take us into the nineties"¹¹¹. The authority expected the only way that CHP would be implemented in Tyneside was with the support of a Labour Government. In response the Newcastle pursued its links with the national party in two ways.

The Tyneside local authorities financially and politically supported the work of TUSIU who were responsible for formulating the demands for the construction of a new power station in the North East before the 1987 election. TUSIU would have been unable to develop this work without the support of the local authorities as the trade unions were both financially and politically unable to carry out the detailed research and campaigning¹¹². Without the local authority support it was unlikely that the demands for new power station construction would have been included in Labour 1987 Energy programme. In 1985 a re-evaluation of

¹¹⁰ *These are discussed in Chapter 6 & 7*

¹¹¹ *Newcastle Journal 6/8/85 p6*

¹¹² *Thorpe Interview 1988*

the role of the NCHPLG took place which resulted in Newcastle City Council playing an important role in the organisation of the group. Although the City Council was still involved in attempting to implement a CHP scheme, considerable efforts were placed on the NCHPLG campaign. This sought to influence the opposition party's manifestos in the period before the 1987 election in order to secure support for the implementation of CHP (see chapter 8). However after Labour lost the 1987 election the Government refused to provide any support for a Tyneside CHP scheme. All the Newcastle Labour MPs condemned the Government's decision¹¹³. Newcastle formally withdrew from the consortium and the authority reconsidered its position.

LOCALISATION AND CHP/DH

Tyneside with its particular concentration of energy related industries and the involvement of trade unions, local authorities and other groups interested in energy issues has had an important impact on the development of national Labour Party energy policy. It would be impossible to understand the development of Labour's 1982 CHP policy and the 1983 Manifesto commitment to CHP without an analysis of the role of Tyneside trades unions in national policy formulation. Trade union impact on national party energy policy developed initially with the Drax B campaign, moved on to CHP and then in conjunction with local authorities and other groups was responsible for the party's 1987 commitment to develop a coal-fired power station in the North East. The region with its strong trade union organisation, Labour local authorities and constantly returning Labour MPs was listened to by the national party (see chapter 9). There were several different forms of localisation proposed by the Tyneside trade unions and local authorities. Although it is difficult to make generalisation because of the complex nature of relations between the local authorities and trades unions the main form of localisation was on new policy innovation rather than demonstration.

Forms of Localisation

New National Policy Formulation

First, new national policy innovation in which the region was responsible for placing CHP/DH on the National Labour Party policy agenda. In the period between 1978 and 1983 the trade unions in conjunction with local energy and community groups were responsible for developing a whole range of linkages with the national party over the issue of CHP. These linkages resulted in the 1982 policy commitment to CHP which was subsequently published

¹¹³ See *Newcastle Journal* 26/1/85 and 31/1/85

in the 1983 Manifesto. This was the party's first, and to date most comprehensive policy commitment for CHP. Support for the technology was based on its wider economic and social benefits but the policy made no mention of the institutional framework in which CHP would be implemented. In this sense the policy was a commitment to develop CHP but without proposing where or whether local authorities would be involved.

Spatial

Second, the local authorities and trade unions attempted to give existing energy policy a spatial dimension. Between 1985 and 1987 they made proposals for developing CHP and/or a conventional coal fired power station in the North East as part of Labour's national energy, industrial and regional policies. With the rationalisation of the power engineering industry and enforced redundancies, the trade unions could not spend time and resources on the promotion of CHP. Instead, with the support of the Tyneside local authorities their demands focused on the expansion of existing coal fired power station technologies and they gained a commitment from the Labour Party to build a new power station in the region. The Labour Party was already committed to building more coal-fired power stations but the region was able to exert pressure on the party to ensure that at least one station was located in the region to provide work for the power engineering industry and the region's coal industry.

Strategy

Finally, the region was responsible for attempting to influence Labour Party strategy on CHP and lobbying the party to take particular positions on CHP in Parliament. Both the trade unions and local authorities lobbied the national party and attempted to influence national party strategy for CHP. The local authority built upon many of the linkages developed by the trade unions but its demands focused to a greater extent on lobbying and encouraging the party to adopt a supportive strategy for CHP through the NCHPLG.

Local Demonstration

The other less important form of localisation was demonstration. Although the main emphasis was placed on developing a working scheme the failure to implement a scheme led to the idea that the implementation of CHP would have to wait until the election of a Labour government. In addition both Sheffield and the GLC borrowed many ideas developed in the Tyneside attempts to develop CHP particularly the involvement of the local community and trade unions. The TUSIU campaign in the early 1980s explicitly set out to encourage other local authorities to take up the issue of CHP based on the Newcastle

initiative. Many of the ideas and initiatives developed in Newcastle were borrowed in part and sometimes full by other authorities, particularly the GLC. The main demonstration initiative was the Trade Councils alternative plan for arms production on Tyneside. In 1982 the Newcastle Trades Council and anti-nuclear campaigns developed an alternative plan for the region which drew heavily on the local authority and trade union initiatives. Amongst other proposals this envisaged an enhanced role for local authorities in local energy planning and the implementation of CHP. This did not become part of official Labour Party policy. But later in the 1980s other local authorities, the GLC LIS and the Sheffield Local Jobs Plan (see chapter 6 & 7), developed alternative regional plans which also included a commitment to develop CHP.

CONCLUSION

It would be difficult to understand Labour's national energy policy particularly on CHP without an analysis of the role of Newcastle local authorities and trades unions in formulating these policies. The main role of the Tyneside region was new national policy innovation. In the early part of the period between 1978-83 the Tyneside trade unions were largely responsible for the party's 1982 and 1983 manifesto commitment to CHP. In the later part of the period a coalition of local authorities, trade unions, MPs and other organisations was responsible for introducing a spatial dimension to Labour's energy policy with the commitment to build a coal fired power station in the North East. In addition the trade unions and local authorities lobbied the national party and encourage the party to adopt a strategy in support of tyneside CHP in Parliament.

Unlike the Sheffield and London case studies there is less local demonstration of what a national party policy for CHP would look like. However the local authorities recognised that CHP would probably be only implemented with the support of a Labour Government. For instance the region secured national Labour Party support for building a conventional power station in the North East. At a regional there was a view that in the event of the election of a Labour Government it would be possible to negotiate over this commitment and perhaps develop CHP/DH instead of a conventional power station. But, as we shall see, there was not the same attempt to develop plans for the implementation of CHP in the event of a Labour election victory as in the case of the GLC and Sheffield. One feature of the Newcastle experience was the way in which other localities particularly Sheffield and the GLC attempted to borrow many of the features and characteristic of the Tyneside campaigns for CHP and replicate them in their localities. For instance the GLC tried to build up trade union support for CHP and develop a tenant campaign for the technology. These

were not very successful but do indicate the demonstration effect of the Tyneside initiatives in other localities.

The main feature of the Newcastle study in comparison to the other localities is the importance of local trade unions initially working alone and then in conjunction with local authorities in promoting CHP and influencing national party policy. The main impetus for Tyneside trade unions and local authority's interest in influencing the development of the Labour Party's energy policy was the importance of the energy sector in the region. It would be impossible to understand Labour energy policy without an analysis of the particular demands and forms of localisation that developed in the Tyneside region.

CHAPTER 6 SHEFFIELD AND CHP/DH

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INTRODUCTION

In February 1987 Sheffield City Council signed an agreement with the Finnish heating engineering company Ekono, and Postpanikki Bank to develop one of Britain's largest integrated District Heating schemes. If the DH network runs successfully it may constitute the first stage of a city-wide CHP/DH scheme which the local authority has been trying to implement since 1980. This chapter analyses the development of CHP/DH in Sheffield from the late 1970s to 1987. Particular emphasis is placed on three issues. First, an analysis of the political, economic and social reasons for the local authority's and other local group's interest in CHP/DH. Second, an examination of the nature of the interface developed by the local party with the national Labour Party over the issue of CHP/DH. This includes: looking at particular reasons why local groups sought access to the national party; the mechanisms and structures utilised; and the content of the interaction. Third, an analysis of the types of localisation; new national policy formulation; and/or demonstration that have been sought by the local party. This will include the nature of local demands and national Labour Party response.

Exploring these issues requires a detailed understanding of the ways in which CHP/DH has been dealt with in Sheffield. This includes different local perceptions of the technology, the degree of local Labour Party interest and an examination of how local and national interests, such as central government and the Electricity Supply Industry (ESI) have converged and diverged over the period. Such a mode of analysis demonstrates that the development of CHP in Sheffield can be periodised into three distinctive phases. Each of these phases is a reflection of the specific and particular combinations of local and national actors interests in the technology. This three-fold periodisation of the treatment of CHP has important implications for how the three main research questions are examined in this chapter. The chapter is divided into three sections. First, an examination of the reasons for the local support of CHP/DH in Sheffield. Second, an analysis of the nature and content of local-national party interactions over the issue. Finally, consideration of the specific types of localisation promoted by local groups in the three periods. The final section draws together some initial conclusions about CHP the local-national party interface and localisation in Sheffield.

LOCAL AUTHORITY INTEREST IN CHP/DH

Local interest in CHP in Sheffield centred on the activities of two groups of councillors and officers in the local authority. The groups were not mutually exclusive but certain specific interests in CHP can be identified.

First, the local CHP initiators with direct responsibility for developing the CHP/DH scheme. This group comprised a small number of councillors on the Energy Panel and officers in the Energy Controller's Office. Both these institutions had prime responsibility for CHP issues. The CHP group's primary objective was the implementation of a CHP/DH scheme in Sheffield. Their main focus was on implementing a scheme which regenerated the city through the provision of lower cost, more efficient and plentiful heat while contributing to the efficient use of primary fuels¹. Although the group recognised that a scheme could meet other objectives such as employment creation, economic regeneration and demonstrate municipal enterprise the main objective was the implementation of CHP as an energy scheme.

Second, there was a group of promoters of local employment and economic policies whose interest focused on CHP as an employment generator and as an example of municipal enterprise. The Municipal Enterprise group was based around officers in the Department of Employment and Economic Development, Councillors on the Employment Committee, particularly its Chair Helen Jackson, and the Council leader from 1980-87 David Blunkett. Their main interest in CHP/DH focused on its implementation as an example of municipal enterprise. Although the group recognised the importance of the energy benefits of CHP they attempted to link the development of CHP to a wider range of policy issues. This included the links between CHP and local employment creation, local industrial regeneration, sectoral plans, alternative forms of social ownership and new forms of local or regional government.

The main conflicts between these two groups occurred in the early 1980s at the start of the second phase of CHP development. The CHP group focused on the implementation of an energy efficient CHP scheme while the Municipal Enterprise group attempted to broaden out the objectives of the proposed scheme. Throughout the early 1980s this created some difficulties as the two groups were both working on CHP but from different perspectives. The conflict was resolved at the instigation of the CHP group when the Labour Group accepted a policy proposed by the Chair of the Energy Panel, that the prime policy objective

¹ *Sheffield Labour Group Executive 1982*

was to develop CHP as an energy efficiency scheme from which secondary benefits could follow. After this the activities of the two groups was largely separate although the Department of Employment and Economic Development (DEED) was involved in 1986 in forecasting the likely employment creation potential of the new scheme and identified local companies which could supply equipment for the scheme. As each group's work on CHP was largely separate, the particular focus of each group and the specific reasons for their interest in CHP/DH has had important implications for the types of interface developed with the national party and the forms of localisation proposed.

Context: 1977 - 1980

In this first period CHP/DH was not an important political issue in Sheffield. Discussion and debate about the technology's potential mainly took place at national level within and between central government departments, the ESI and promoters of CHP such as the District Heating Association (DHA). Sheffield did not play an important role in these discussions until the publication of the Marshall report in 1979. But crucial to any understanding of Sheffield's positive response to the Marshall Report, the Government funded feasibility studies and the development of a DH scheme in 1987, are a series of local political and technical decisions taken during this period. These decisions were focused around four separate policy issues.

First, because of increasing constraints on local landfill sites Sheffield City Council re-assessed its waste disposal policy in the early 1970's. The construction of a large municipal refuse incinerator, close to the urban centre, was selected as the best option. This resulted in substantial cost savings as the collection service could be re-designed on a disposal site close to the urban centre producing an extremely efficient service and land fill disposal sites were only required for residual ash at less than 10% volume and 41% weight of the original refuse². Responsibility for the construction and running of the incinerator was passed to South Yorkshire Metropolitan County Council with the local government re-organisation of 1974. Subsequently the plant was re-designed so that the heat produced from one of the two rubbish streams would heat two large municipal housing estates Hyde Park and Park Hill. These two estates were erected between the mid 1960's and mid 1970's and accommodated 5,000 people in 2,450 dwellings. Utilisation of the waste heat from the Bernard Road incinerator only required the laying of two 760 metre mains pipes which tapped into the flow and return pipes of the existing oil-fired heating system. The early years of the incinerators operation were plagued by a series of technical and industrial relations problems which took some time and considerable resources to solve satisfactorily.

² *Lawrence et al 1986*

Second, the Hyde Park/Park Hill DH scheme needs to be placed in the wider context of DH policy in Sheffield during this period. During the 1960s and 1970s a considerable number of DH schemes were installed in Sheffield with the inducement of cheap energy tariffs from the fuel supply industries. Although these schemes were a substantial improvement over existing heat standards by modern standards the schemes were not of good quality. They only provided limited background heating in certain rooms, tenants had little control over the heat and paid a flat charge throughout the year whatever quantity of heat used, installation was often poor and maintenance badly planned. The Hyde Park/Park Hill scheme suffered almost continual breakdowns due to technical problems with the incinerator and during 1977 the plant had only provided heat for 39.5 days. A number of Sheffield's other DH schemes had problems during this period and tenants became increasingly dissatisfied with days of lost heat and the spiralling costs of heating as the preferential fuel tariffs were withdrawn by the fuel supply industries. Consequently no more DH schemes were built and the plans to utilise the Bernard Road incinerator's second waste stream for use in city centre DH were allowed to lapse given the technical problems afflicting the plant and the general malaise of DH.

Third, during the mid 1970's a series of central government circulars and energy "Save-It" campaigns encouraged local authorities to adopt energy conservation measures to reduce municipal fuel costs and urged local authorities to fund new spending from savings through energy conservation measures. Sheffield Council set up an Energy Panel of six councillors as a sub-committee of the Policy Committee supported by a small team of officers in a newly established Energy Unit. Information was collected on energy use in municipal buildings and a series of measures developed to conserve energy. Between 1977-80 over 22,000 houses were insulated and energy conserving measures installed in schools, swimming pools etc. The savings were used to fund additional conservation projects and other local authority budgets.

Finally, at the end of 1979 both the Central Electricity Generating Board (CEGB) and the National Coal Board (NCB) announced the closure of two local power stations. The first was a 90MW coal burning station close to the city centre at Blackburn Meadows and the second at Manvers near Doncaster was an industrial CHP plant used for coal processing. There were two short lived campaigns to try and prevent the closure of these stations on jobs and energy conservation grounds, and proposals made to convert the Manvers station to CHP/DH using refuse derived fuel³. Both campaigns failed but they indicate that the local

³ Denman 1980

implications of decisions concerning energy production was an issue on the local political agenda.

By the beginning of 1980 Sheffield was active on a number of separate policy issues which would subsequently play an important role in CHP/DH development in three respects. Technically the authority had the ability to produce cheap heat from local refuse, distribute a small percentage of this heat through DH networks to municipal housing estates and had developed a degree of expertise on local energy consumption. Organisationally a framework had been established for tackling energy issues through the Energy Panel as a sub-committee of the Policy committee, supported by an Energy Unit in the Personnel Department. Politically there was substantial interest in energy consumption and production as it affected the locality, particularly in policies to maximise energy conservation and provide cheap heat for council house tenants. These three sets of capabilities were to be of some significance when central government announced the funding of CHP/DH feasibility studies in conjunction with local authorities in 1980.

Diverging CHP/DH Evaluations: 1980 - 1986

Department of Energy CHP/DH Studies: The Atkins Report

In February 1980 the local authority was approached by the District Heating Association regarding local authority collaboration with Government funded CHP/DH studies. This approach was considered by the City Council to be premature as it was "doubtful that any support for city wide CHP/DH schemes will be announced when the decision is made in the next few weeks"⁴. Government support was considered unlikely due to the high capital costs of CHP/DH but the local authority indicated a willingness to take part in the studies assuming that they were to be funded by the DEn. However, in April the DEn announced that it intended to initiate a two-stage programme to prepare proposals for Lead City CHP/DH.

Sheffield City Council was able to satisfy the criteria for inclusion in the studies and in October 1980 a meeting was held in Sheffield with Atkins, Department of Energy (DEn), South Yorkshire MCC and Rotherham MDC to discuss the information requirements and local authority co-operation needed for the pre-feasibility study. In March 1981 the DEn announced that 9 cities including Sheffield had been selected for the phase 2 detailed studies. The nine shortlisted sites were deemed to be technically suitable and to have the appropriate level of support for the technology from the relevant local authority. The second

⁴ Internal Memo 28th Feb. 1980 Chief Personnel - Chief Executive

phase of the stage 1 work was concerned with the issue of financial viability⁵. In October 1981 another meeting was held with Atkins to discuss the work and identify areas of the city for the detailed evaluation of CHP/DH. At this stage Rotherham MDC dropped out of the joint Sheffield and South Yorkshire MCC bid as it became clear that it would take a minimum of twenty years before the scheme extended east along the floor of the Lower Don Valley to Rotherham. In 1982 Atkins concluded the Stage 1 study by proposing a scheme for Sheffield that involved the connection of 40,000 dwellings, 2.6 million metre² (m²) of commercial floorspace and 1.3 million m² of industrial floorspace to a 380 MW CHP/DH station located at Neepside. During the 12-15 years of construction, 3 heat-only boilers would be constructed and the Bernard Road incinerator included to permit a phased construction before the new power station was complete. The scheme was estimated to cost £500 M and came very close to meeting the Government goal for the nationalised industries Internal Rate of Return (IRR) of 5%. Atkins recommended that up to three cities be selected for implementation of CHP/DH but the Conservative Government delayed the publication of the report until 1984 on the grounds that a consultancy report required careful checking. The decision on which cities would receive government support was not taken until early 1985. In the meantime Sheffield tried to implement its own scheme.

Local Authority Interest in CHP/DH

When the firm proposal for a series of DEn CHP/DH studies was received formal responsibility for CHP was handed to the Energy Panel and an officer from the Energy Unit was appointed as Energy Controller. The authority's reasons for active and positive inclusion in the DEn studies focused on two areas. First, participation was free as the studies were to be funded by the DEn at a time when local authority spending was being constrained "it was a good idea which we ought to pursue at no initial cost to the local authority"⁶. Second, the local authority supported the technology on energy saving and employment creation grounds.

"this scheme fulfills several different needs. We have fuel debt and fuel poverty in our area and we have high unemployment. However CHP/DH is an energy scheme which will have employment implications and not an employment scheme that will have energy implications"⁷.

The technology was seen primarily as an energy project with potentially positive consequences for alleviating unemployment since the "more people employed, the higher the cost of heating to our tenants"⁸. The Chair of the Energy Panel was anxious that the

⁵ DEn 1984

⁶ Meade Interview 1987

⁷ Meade Interview 1987

⁸ Meade Interview 1987

project should be seen, in the first instance, as supplying cheap heat to consumers to alleviate fuel debt and poverty without being taken over by other departmental concerns. The Energy Unit was located in the Personnel Department and was able to focus on the CHP/DH project outside constraints of a particular programme department.

The authority cooperated fully with W.S. Atkins' the consultants appointed by the DEN to carry out the feasibility studies, by providing information, facilities and local expertise. At this early stage it became clear to the Energy Unit that the implications of CHP/DH were so wide ranging that strong local authority support would be required with an equal commitment by commerce, trade, householders and other local authorities. Consequently the authority "took a deliberate approach to include opposition parties, the Chamber of Commerce and tenants groups in the scheme very early"⁹. As part of this process a series of seminars was held in Sheffield informing the authority, MPs, tenants groups and the private sector about CHP/DH and its local implications. Following a seminar on October 19th 1981, the local authority received a proposal from a private heating company - Utilicom to develop a CHP/DH scheme in Sheffield. This proposal was to have a number of far reaching implications for the future development of CHP/DH during this phase.

Utilicom proposed to set up a private company to develop a CHP/DH scheme in Sheffield, based on the supply of waste heat from the Bernard Road incinerator. The local authority was interested in this proposal as the level of central government support for CHP was unclear and Utilicom's plan seemed to offer a rapid route towards implementation of CHP/DH. Utilicom initially offered a wholly privately owned company structure which the local authority would finance, hand over powers and responsibility for municipal heating. This proposal was unacceptable to the local authority as it failed to include any public control over the scheme. "Utilicom is offering a project which allows the company a guaranteed rate of return with the City Council in effect underwriting the project"¹⁰. However, following a suggestion from the Council leader, David Blunkett, a Joint Venture Company structure was investigated. The local authority felt able to support this type of venture as it could be constituted to include a high degree of local authority involvement and control over company policy. Unfortunately legal investigation showed that this type of structure was probably *ultra vires*. Utilicom again offered the wholly owned private company structure arguing that it was the only way forward. This proposal was rejected as "this scheme is of no interest to us"¹¹. In effect the City Council was being asked to underwrite the scheme financially, pass over municipal maintenance and repair work,

⁹ Meade Interview 1987

¹⁰ Internal Memo Nov. 1981

¹¹ David Blunkett Internal Memo

responsibility for municipal heating and ownership of the refuse incinerator to a private company over which it had no control. This was totally unacceptable to the local authority and was totally contrary to the concept of municipal enterprise however strong the desire to implement CHP/DH.

Despite the negotiations ending in failure the Utilicom proposals had three very important consequences. First, the concept of establishing a Joint Venture Company had been floated by the local authority and this structure remained as a future option, provided it was legal and included a substantial degree of public control. The two other consequences were of a more immediate nature. Second, the local authority had been forced to make a decision about the Utilicom proposal from an extremely poorly developed policy base. Officers felt that they lacked a clear political policy framework within which the negotiations with Utilicom took place. Consequently when the Labour Group took a decision on the proposals a policy stance had to be taken as a basis for rejecting Utilicom and establishing guidelines for the development of CHP/DH. Finally, most of the negotiations with Utilicom focused on the legal aspects of company formation and structure, with technical issues hardly figuring at all. The local authority realised that it lacked the technical expertise with which to really assess CHP/DH. Subsequently funds were allocated for a series of local feasibility studies.

With the absence of any clear policy base on which to evaluate the Utilicom proposal the Labour Group Executive responded with the following statement:

Labour Group CHP/DH Policy: May 1982

"The intention of the Labour Group Executive is to take every step to make the possibilities of CHP/DH a reality:

- to utilise otherwise wasted energy
- to prevent the waste of vital resources
- to offer the area an opportunity for the creation of jobs

The proposal will be pursued with or without government backing, and investment will be sought in a way which will ensure continued community control and direct benefit" 12.

The Utilicom proposals failed on the issue of community benefits as the wholly private sector company structure could not include any guarantees that CHP/DH would be used to supply cheap heat to tenants. It was recognised that central government support might not be made available to the local authority and consequently the city would have to implement a scheme itself. The key criterion for the development of a scheme was that it should ensure local control and direct the benefits of the technology to the locality. But it was not spelt out how this objective should be achieved. The policy statement strongly reflected the

12 *Sheffield Labour Group Executive May 1982*

views of the Energy Panel that CHP/DH be seen primarily as an energy scheme with employment spin-offs. A CHP/DH Steering Group was established representing officers from nearly all local authority departments as the implications of CHP/DH were so wide ranging.

Local Authority CHP/DH Appraisals & Consortium Formation: 1982

In July 1982 the Energy Control Unit prepared a report - "CHP in the City of Sheffield" - to consider options and make recommendations on the strategy for the future development of CHP/DH. Considering the Lead City scheme the local authority, based on informal advice from WS Atkins and the DEN, was led to believe that London would be the first choice followed by Belfast and Edinburgh¹³. Although the City Council did not expect to be selected as a Lead City it was felt that this did not necessarily mean that government support would be totally lost especially if the scheme was designed in parallel with the government programme and included private sector involvement. It was still not clear exactly what constituted "government support". There were a number of possibilities ranging from feasibility studies and low interest loans to an ESI operated city wide CHP/DH scheme. It was uncertain that if any of these options were made available to the local authority they would be allowed to include a sufficient degree of local control. Consequently it followed "that to ensure community control and direct benefits, the local authority must develop its own strategic plan, hire its own consultants and raise its own capital"¹⁴. Whatever type of organisation was used to develop the scheme it "must necessarily have a prime objective of community service and welfare, if council policy is to be followed"¹⁵. The report concluded that the local authority should "proceed with all resources to develop and install a CHP/DH scheme in Sheffield"¹⁶.

It was decided to mount a further round of feasibility studies to design a more detailed scheme than the outline Atkins proposals and to increase the Atkins forecast of 4.8% IRR to over the 5% set by the Government. The Council set aside £36,500 for Sheffield University and WS Atkins to undertake an economic, social and technical evaluation of the core scheme. In parallel with this work the CEEB undertook a detailed feasibility study of building a coal-fired CHP generating station of conventional design to produce 150 MW(e) and 150 MW(th) at Blackburn Meadows. The main findings of the research, completed in October 1983 were threefold¹⁷. First, that the development of a full CHP/DH scheme

¹³ *Sheffield City Council 1982 p4*

¹⁴ *Sheffield City Council 1982*

¹⁵ *Sheffield City Council 1982*

¹⁶ *Sheffield City Council 1982 p14*

¹⁷ *Atkins and Partners 1983*

should commence with a core scheme with a connected heat load of 120 MW serving a large proportion of the inner city housing and including major institutional and commercial buildings. Second, that the heat should be provided from the city's incinerator which could be modified to improve its heat recovery efficiency and to produce superheated steam to enable heat and power generation (5 MW(e)). Finally, heat could be supplied at a price attractive to large commercial consumers and substantially lower than other domestic heating alternatives and show a projected real rate of return of 5.6%. The estimated cost of the plant and distribution network was £30 M. Consequently the core scheme "emerged as the most realistic option capable of meeting the Council's objectives in the short term and as the logical step towards the implementation of the full CHP scheme in the longer term"¹⁸. The CEEGB study concluded that to be acceptable to the CEEGB a coal fired CHP plant must have a greater electrical efficiency than a plant of conventional design. Further investigation showed that Coal Gasification Combined Cycle (CGCC) technologies could increase efficiency so an application for funding was made to the EEC Energy Directorate for funding. The application was successful and the work received the backing of the City and a number of private sector interests. This resulted in the establishment of a consortium of organisations, Chaired by Lord Ezra, interested in assisting with the evaluation of CHP. The major element of the £295,000 feasibility study was the examination of a power station based on CGCC burning 0.5 million tonnes of coal a year.

Throughout this period the Energy Panel was anxious to include as many local groups as possible in the attempts to implement CHP/DH. It was clear that a scheme would require the active and positive support of local industry, commerce, institutions and householders, as these groups were potential heat consumers and without their involvement developing a scheme would be extremely difficult. The local authority wanted to ensure that "CHP is not promoted in the city in a way that allows it to be seen as 'yet another hair-brained costly scheme being super-imposed by the Council'"¹⁹. A strategy of persuasion, education and demonstration of the benefits of CHP/DH to different groups was adopted. The Energy Unit organised a series of seminars on CHP/DH, a special issue of the civic newspaper, and meetings and trips abroad to examine modern CHP systems in Sweden and Finland. This approach was successful and the technology received a strong degree of support for the technology from a wide range of groups in the city. During the early 1980's the council was in conflict with central government and local business interests over local finance and the level of local rates. Nevertheless CHP as an issue was able to "float" above these conflicts and continued to attract a high level of support. This was due to the importance different

¹⁸ *Lawrence 1984 p283*

¹⁹ *Internal Memo July 1982 Internal Memo, Paul Skelton, Strategy Officer, Corporate Management Unit - Cllr. Blunkett, Meade, Jackson, Michie, Billings and officers, 13th July 1982*

groups placed on the implementation of CHP. The Chamber of Commerce cooperated on the basis that a scheme would provide cheap heat for their members, offer the potential for Sheffield companies to provide much of the hardware and opened up the possibility of members selling waste heat to the DH network²⁰. There was an increasing recognition in the local authority that solutions could be found for many of the potential technological, legal and social problems involved in implementing CHP/DH.

But there was concern in the Employment Department that the

"scheme is not promoted and justified in energy saving terms alone.

There are job-creating employment reasons for the city council pursuing such a scheme not the least of which are to do with the likely installation, maintenance and repair work possibilities for the Works Department and expansion of municipal enterprise that could be involved.

There are also housing implications in better meeting council tenants needs for cheaper heating - a major campaigning issue on many estates at present.

There are also major spin-offs of low technology developments for the steel, engineering and mining industries locally.

It is therefore important that local energy saving, job-creating, meeting tenants and local industrial needs "objectives" are promoted together and equally as part of the scheme²¹.

It was suggested that the scheme should be promoted not simply as an energy scheme but that the council should discuss the scheme with tenants associations, trade unions, employers and the private sector and perhaps needed to mount a Trade Union Studies Information Unit (TUISU) "Jobs from Warmth Campaign". This view conflicted to some extent with the approach taken by the Energy Panel which recognised the additional benefits of the technology but were concerned that in the first instance the scheme must be seen as an energy project, they argued that without this focus the project would be lost in other departmental concerns and priorities. This conflict of emphasis was resolved by the Labour Group Executive CHP/DH Policy in March 1983 when a new CHP/DH policy was passed

New CHP/DH Policy: March 1983

"Sheffield's Prime Objective

To evaluate a CHP/DH scheme for Sheffield which meets the Council's aims and policies for the regeneration of the inner urban area through the provision of lower cost, more efficient and a more plentiful heat for all users, and to meet the desire to ensure the efficient use of primary fuels.

Secondary Objectives

1. To create employment opportunities in both public and private sectors.
2. To exercise policy control over the price of heat supplied and the method of charging.

²⁰ Hambridge Interview 1987

²¹ Internal Memo, Paul Skelton, Strategy Officer, Corporate Management Unit - Cllr. Blunkett, Meade, Jackson, Michie, Billings and officers, 13th July 1982

3. To determine as the "heating authority" which categories of user, such as aged, infirm and disadvantaged, should receive free or subsidised heat.
4. To preserve a nationalised presence in the generation of electricity and heat by ensuring that the CHP plant and heat only boilers are coal fired, and that the CEEGB are responsible for the generation of electricity.
5. To ensure that the scheme is recognised as a community heating enterprise and controlled by a publicly accountable authority²².

The Energy Panel was able to ensure that the energy objectives remained as the primary aim of the scheme while the policy statement in the secondary objectives also recognised the interests of the Employment Department who wanted to broaden the aims of the scheme.

Department of Energy Lead City Scheme: Application 1984

In 1984 the DEN eventually published the results of the Stage 1 Atkins study as Energy Paper 53 and in June invited local consortia of local authorities, the ESI and the private sector to submit CHP/DH proposals for selection as Lead Cities. Sheffield submitted a bid in July based on the Atkins Stage 1, the local authority funded Stage 2A research and the consortia formed for the EEC study. Although the authority had always considered it unlikely that Sheffield would be selected they stressed in their submission the resources the authority had committed to CHP/DH, then estimated at £150,000 and the substantial expertise developed locally. Consequently the authority were hopeful that their bid would be successful.

1985 was a year of considerable disappointment for the team trying to implement CHP/DH. In January 1985 the DEN announced that Leicester, Edinburgh and Belfast had been selected as Lead Cities. This effectively removed the possibility of any central government support for the scheme. In June the EEC study was completed and the results presented to the EEC Energy Directorate. Unfortunately they were extremely poor and concluded that a CGCC plant was more expensive than a plant of conventional design. But despite poor results the EEC made £0.85 million available for the design phase of a CGCC scheme which might be followed by grants in later stages²³. But discussions with the private sector indicated that private investment was highly unlikely due to the low rates of return and high risks. Consequently it was accepted that if a scheme was to be implemented it must be included in the CEEGBs and British Gas capital programme. However, the CEEGB assessed the viability of both the full and core scheme options and concluded that against their own criteria none of the options was economically viable. Sheffield attempted to take the CEEGB

²² *Sheffield Labour Group Executive March 1983*

²³ *Lawrence 1987*

to court on the basis that they were not meeting their requirement under the 1983 Energy Act to "adopt and support CHP schemes". This action failed and the EEC grant had to be declined.

A DH Scheme for Sheffield : 1986-87

At the start of 1986 there was considerable uncertainty concerning the future of CHP/DH in Sheffield and it was not clear what strategy the local authority would adopt. Over the previous six years a whole series of CHP/DH social, economic, technical and environmental evaluations had been undertaken but the local authority was unable to implement a scheme over which it maintained an acceptable degree of local control. The main difficulties focussed on three areas: the inability of the local authority to finance city-wide CHP/DH from its own resources; the lack of Central Government financial support; and the CEGB's refusal to include a CHP/DH plant in their capital programme. In June 1986 the Programme and Energy Controller recommended that the council should decline the EEC grant and seek a partner to develop a limited CHP/DH scheme for Sheffield based on conventional technology²⁴. The management team reached this recommendation as two sets of interests converged increasing the potential for implementing a CHP/DH scheme. First, the authority was forced to re-assess its relations with the private sector and now embraced the concept of a Joint Venture Company based on a public-private partnership. It was now clear that this type of structure would not be *ultra vires*. Second, within the local authority a higher level of support for CHP/DH emerged in response to a series of crises over house heating and employment strategy. The convergence of these two sets of interests, strongly related to the prevailing national political context, meant that a scheme might be implemented. But the scheme was very different, in technical and spatial terms, from city wide CHP/DH originally envisaged by the local authority.

The Core Scheme Proposal

The studies commissioned by the local authority to examine the feasibility of CHP/DH in Sheffield had worked on the assumption that the scheme would cover the whole city with the CEGB providing a new power station. This strategy was developed following the councils 1983 policy statement. However by 1986 this strategy was looking increasingly untenable since the CEGB argued that according to their assessments a scheme was not viable. The CEGB would not commit itself to participation in the development of a scheme. Without this commitment the local authority were forced to look at alternative technological options.

²⁴ *Sheffield City Council 1986a*

The Atkins Stage 2A and EEC feasibility studies had examined two types of scheme: whole city and core CHP/DH. The Management Team officers now concentrated on the development of a core scheme based on the waste incinerator at Bernard Rd with potential for later expansion to a city wide scheme. The core scheme would use all the capacity of the existing incinerator. The incinerator would burn an extra 20% waste, supply, at peak demand, 75 MW of heat, and produce 10 MW of electricity with 1 MW for plant use and 9 MW sold to the Yorkshire Electricity Board or, if it was feasible, direct to consumers, providing a third of the income to the scheme. The heat load was planned to build up gradually, with the most secure heat loads first, including municipal buildings, the University and the National Health Service. The total cost of this scheme was estimated to be some £38 M at 1985 prices with a possible reduction to £28M with an alternative development strategy. The Management Team report recommended that the Council: accept an energy policy for the city which includes CHP/DH; accept that the way forward be to develop a core DH scheme initially; to commit future refuse disposal policies to incineration for a minimum 20 year period to provide a basis for the provision of heat to a DH scheme for the city; and accept the need for the council to maintain a heating requirement in the central area for the next ten years²⁵. Without the municipal incinerator to act as a heat source it is highly unlikely that any scheme would have been able to go ahead at all.

The decision to proceed on a core scheme proposal had to be taken by the Labour Group Executive and full council. The Chair of the Energy Panel recommended a series of policy changes to the 1983 position.

"What does appear quite clear is the fact that we could start our "core scheme" on a district heating only basis initially, and downstream incorporate electricity generation once the system is working, at a stage where the contribution from electricity generation is of greatest advantage"²⁶.

This recommendation was slightly different from the management reports which included limited electricity production. The Chair of the Energy Panel excluded electricity production and recommended that the scheme "proceed on a district heating basis, until such time as is appropriate to generate electricity. Discussions with the Yorkshire Electricity Board and CEEB will continue on the future adoption of the scheme"²⁷. This recommendation was accepted by the Labour Group and full council.

The factor that was most important in influencing the decision to proceed with a scheme was the interest of three private sector organisations in pursuing a scheme in association with the City Council. The companies were interested in developing a core scheme as the

²⁵ *Sheffield City Council 1986a p32*

²⁶ *Sheffield Labour Group Executive 1986*

²⁷ *Sheffield Labour Group Executive 1986*

cost and risk of whole city CHP/DH were too great. These companies interest was on a very different basis from the Utilicom proposals and the numerous offers from contractors to manage and finance a project on the condition that the city council guaranteed loans and provided a minimum payment to the contractor. The interest of the three sets of companies - Ekono (Finland), ABV/Armton (Sweden) and W.S. Atkins/Sweco (UK/Sweden) - was on a different basis. All of the company's had direct experience of operating and developing CHP/DH projects and they indicated "that they would be prepared to take some share in the risks either through equity participation or by taking out performance bonds"²⁸. They recognised that financial constraints limited the Councils involvement in a scheme but were prepared to take a financial risk with the Sheffield scheme to demonstrate that CHP/DH could work and be successful in other UK cities. The three proposals were extremely attractive as it was possible to finance a limited CHP/DH scheme without requiring the Council to take all the risks but also providing the Council with some safeguards and allowing the benefits to be shared by the community²⁹. The report recommended that the Council agree in principle to enter into an agreement with interested third parties to form a joint venture company whose role will be to develop DH in Sheffield; accept the need for the City Council to enter into a long term contract to take heat from the new joint venture company; approve invitations to interested third parties to submit outline proposals and; establish a team of officers to set up the joint venture company³⁰.

These recommendations were put before the Policy Committee in July and represented a considerable break with the definitive Council CHP/DH policy statement of March 1983. The Chair of the Energy Panel took a paper to the Labour Group Executive, recommending a series of policy changes to the 1983 statement which could then be put before the council meeting. These new recommendations conflicted with the 1983 policy as the core scheme would not be implemented entirely in the public sector and the authority could not determine which categories of user should obtain subsidised heat. The Joint Venture Company would have to be set up with 51% private sector share and 49% public sector shareholding, to avoid capital funding penalising the local authority and permitting European Regional Development Fund (ERDF) support and true company status. The issue of subsidised heat would have to be left until the scheme was nearer implementation. This conflict generated a great deal of debate amongst the Labour group as to whether the Council should involve the private sector and if so on what basis.

²⁸ *Sheffield City Council 1986a p30*

²⁹ *Sheffield City Council 1986a p30*

³⁰ *Sheffield City Council 1986a p32*

But the recommendations were accepted. If the council rejected this approach then there was effectively no possibility of developing CHP/DH in Sheffield as the local authority could not finance the scheme itself and both Central government and the CEEB refused to provide finance. Consequently the choice was simple accept the public/private strategy or abandon CHP/DH. The partnership approach was not that different from that suggested by the Council in 1982 during negotiations with Utilicom. At that stage the proposal was dropped because it was *ultra vires* and it was unclear how the local authority could ensure an acceptable level of public accountability in a company structure where it owned less than 50% of the shareholdings. In 1986 solutions were found to these problems. The proposal was not *ultra vires* as the Council would not pass over any of its powers to a private company and clauses could be inserted into the company's memorandum to ensure that minority shareholders could exercise control over policy changes and this could include possibility of golden share or buy out option.

Increased Local Authority Support

The debates on the future of the project converged with a higher level of support for the technology from within the local authority. While Councillors on the Energy Panel and officers in the Energy Unit had enthusiastically promoted the technology the whole scheme was viewed with some scepticism by many Councillors and officers³¹. However, with the interest shown by the private sector and the Management team report the project began to look much more concrete. The prospect of implementing CHP converged with a wide range of departmental interests. For instance Environmental Health could support the proposals as CHP would replace old polluting oil fired boilers, Land and Planning would have to identify fewer land fill sites if more refuse was burnt and the Cleansing management could dispose of more waste conveniently and economically. The most significant support came from the Housing Department (HD) and Department of Employment and Economic Development (DEED). Each department became much more interested in the technology in response to specific problems and issues facing them.

Throughout the late 1970s and early 1980s the HD had faced a near crisis over house heating strategy as many of the systems installed in the 1960s and 1970s were inefficient, very expensive to operate and nearing the end of their useful lives. During the early 1980s tenants associations started to play a role in developing housing policy and the problem of poor heating became an important political issue. The poor performance of some DH systems became a major issue for the Housing Committee and councillors with old DH

³¹ Moore interview 1987

networks in their wards³². The authority responded by commissioning of the 1983 House Heating Strategy Report as part of the EEC sponsored CGCC study. This attempted to establish a series of standards for heating systems and assessed the different options available for the replacement of old systems. DH was recommended in areas where it could provide heat more cheaply than the next available option³³. Attitudes to DH were marred by the poor experience of the 1970s and early 1980s. However attitudes amongst senior officers and tenants groups and councillors had begun to change. The Energy panel through a series of seminars, independent reports and trips abroad to see modern DH systems, demonstrated that DH could work effectively, cheaply and accurately. Consequently at the start of 1986 there was a clear shift of attitudes towards supporting the project in the Housing Department³⁴. It was demonstrated that CHP/DH was cheaper than individual gas fired central heating. If a company was established to develop the scheme the housing Department would be able to relinquish responsibility for generating heat. Tenants wanted CHP/DH provided it was cheap and accurate pre-payment meters were installed. The Department's support was essential as the scheme that was finally developed was based entirely on the provision of heat to municipal housing.

The Department of Employment and Economic Development (DEED) was closely involved in discussions about CHP/DH in the early 1980s when the Department attempted to broaden the social and economic objectives of the local authorities interest in the technology. However, following the 1983 Labour Group policy statement it was agreed that the Council's main effort should focus on developing a viable scheme based on energy savings from which secondary objectives such as increased employment would follow. With this policy and the difficulties of implementing a scheme in the early 1980s the DEED interest in the technology lapsed until its implementation was more likely. The Department took a renewed interest in the scheme in 1985 when the increased prospects for implementation were able to play an important role in providing partial solutions to problems facing the department. By the mid 1980's the Department was facing increasing pressure from within the authority to produce tangible results as many of the early ideas for economic regeneration based on municipal enterprise faced serious difficulties including a lack of resources, and powers which limited the potential for innovation and intervention in the private sector. The CHP/DH project provided an opportunity to redefine a different role for the department based on the concept of partnership with the private sector. Although the scheme was privately funded it was able to demonstrate that it could be implemented in a

³² "DH was the next best thing to a nuclear holocaust" Meade Interview

³³ Atkins and Partners 1985

³⁴ Bailey Interview 1987

way which ensure that maximum benefits accrued to the local economy³⁵. The Department calculated the job creating potential of the scheme, matched the skill requirements to the local labour market and worked with the Chamber of Commerce to establish which local companies could produce hardware for the scheme³⁶. The Department had been promoting this type of methodology for some time but CHP/DH provided the first live project as other infrastructural projects had failed or been abandoned as they did not receive funding.

A DH Scheme for Sheffield: The Ekono Proposal

The Labour Group agreed to all of the management team proposals and in August invited proposals from the three groups who had taken an interest in the project. Three proposals were submitted and passed to different sub-groups and assessment panels who considered the various aspects of the proposals against the Council's objectives while Kleinwort Benson, merchant bankers, reviewed the financial and corporate structure. The Sweco/Atkins proposal was rejected because the Special Purpose Company structure concept was reliant on conditions in contracts for guarantees of performance which were not acceptable to the Council. The Ekono and Arnton/ABV proposals were the most attractive but differed significantly in their development strategies. Arnton/ABV proposed to develop a scheme based on the Core scheme boundary and incorporating electricity production to fund the installation of the DH network. Ekono would start with a small DH scheme and exclude electricity production to obtain cost and market penetration feedback on the DH network which if successful would facilitate the future expansion of the scheme. The CHP Assessment Panel recommended that the Council accept the Ekono proposal as the company

"understood the constraints and have responded with a plan that is modest but realistic in context. Ekono have shown confidence in their plan by offering to make a quasi-equity investment of £255,000 or approaching 10% of the capital investment, in the form of an unsecured loan. They have demonstrated their understanding of the City's financial situation by offering to accept the city's equity investment in kind rather than in cash"³⁷.

The Policy Committee in February 1987 authorised the Chief Executive to begin negotiations with Ekono as the Council's partner in the establishment of a Joint Venture Company to implement a CHP/DH scheme and re-affirmed the Council's commitment to the technology. A separate agreement was signed with Ekono to design the first stage of the DH scheme to provide heat to Norfolk Park - fifteen twin tower blocks comprising 1,890 flats. The Housing Department strongly supported this extension of the DH network to replace old

³⁵ *Fossu Interview 1987*

³⁶ *Sheffield City Council 1986b*

³⁷ *Sheffield City Council 1987a*

electric heating systems and all the initial heat load was provided by municipal housing. The Energy Panel was anxious to include industrial and commercial consumers in this first stage but the only way the scheme could proceed was to base it on council housing to prove the technology and then extend it to the private sector in a later phase. In September 1987 the Joint Venture Company was formally established as Sheffield Heat and Power Company and contracts worth £2.6M signed to install the DH network and the Housing Department took out a £7M leasing scheme for the DH internals and meters in Norfolk Park. If the scheme is successful it is envisaged that it will expand progressively into the central area and to the boundary of the core scheme. The expansion will be supported by heat-only boilers until the heat load has grown to 200-250 MW(th) when it should be possible to justify the construction of a CHP station using income from electricity production to fund the investment. The privatisation of the ESI has brought forward these discussions and the company is now investigating the potential options for developing a CHP station.

LOCAL - NATIONAL LABOUR PARTY INTERFACE

There is a wide range of linkages between Sheffield City Council and the national Labour Party over the issue of CHP/DH. However, this interface is of a highly informal, diffuse and complex character and its analysis is problematic.

Phases of Local - National Linkage

The development of CHP/DH in Sheffield took place in three distinct phases each reflecting particular and changing combinations of the local and national actor's interest in the technology. Each of these phases of interest has important implications for the nature and content of local - national party interface.

In this first phase between 1977-80 there was little or no linkage with the national Labour Party over the issue of CHP/DH. There was little local interest in the technology due to the difficulties of the locality developing a scheme without central government support. Much of the discussion about the potential for CHP was taking place at national level around the preparation of the Marshall Report. The Labour Government argued that until the CHP Group had examined the feasibility of CHP/DH and made recommendations there was little action the government could take to develop the technology. There was little opportunity or impetus for local action on CHP/DH in Sheffield until after the 1979 election and the new Conservative government responded to the Marshall Report's recommendations. In the Labour Party most of the campaigning activity for CHP was based around the Newcastle

trade unions who had specific reasons for attempting to develop the technology as part of an alternative plan for the power engineering industry from 1977 (see chapter 5).

However, there was awareness by some groups in Sheffield, particularly the Energy Panel, of CHP/DH's potential. Before the publication of the Marshall Report the Socialist Environmental Resources Association (SERA) mounted a national campaign which attempted to develop interest in CHP technology in localities other than Newcastle and spread information about the potential for its development that might be created with the publication of the Marshall Report. This included a major one day conference in Sheffield on the technology and its implications for employment³⁸. There were no speakers from Sheffield although some local councillors interested in energy issues, local trade unionists and local SERA supporters, attended the conference. A Sheffield MP Frank Hooley was also invited to the conference. Hooley was local Labour MP for the Heely constituency and among other issues took a close interest in Energy Policy. In 1978 following the publication of the Labour Government's Green Paper on Energy Policy he argued, in a local Sheffield newspaper, that "not enough attention is paid to CHP systems. The Government should study urgently the possibilities of developing, designing and building such systems"³⁹. Despite this interest there was no linkage between Hooley and the City council over CHP/DH in this first or subsequent periods of the technologies development⁴⁰. When the local development of CHP/DH became a more realistic option in the early 1980s a closer relationship might have been expected to develop between the local MP and the local authority over the issue. However subsequent events, including Hooley's deselection in 1982, provide important insights into the relationship between the local authority and the local MPs over CHP/DH.

The weak nature of local - national linkages in this period is a clear reflection of the low level of local activity on CHP/DH in Sheffield. Although some members of the Energy Panel were aware of the potential of the CHP and the opportunities that might be presented by the publication of the Marshall report there was no reason to commit resources to its development until the Conservative government responded to the Marshall. However, the presence of a local MP with interest in the issue might have been expected to provide a link between the local and national party over the issue.

The most intensive period of local-national linkages was between 1980-86, a period of conflicting CHP/DH evaluations and frustrated attempts to implement the technology. The

³⁸ SERA 1979

³⁹ Hooley 1978

⁴⁰ Meade Interview 1987

local authority made a series of policy commitments and provided resources to attempt to develop whole-city CHP/DH in conjunction with the nationalised industries in an institutional structure which insured a high degree of local control over the nature and form of the schemes development. However this strategy required financial support from the Conservative Government and the cooperation of the ESI to build a CHP/DH station. But, as discussed in chapter 4, there are serious institutional and political constraints on CHP/DH development in the UK. The constraints on CHP/DH during this period were not technical but political and organisational. The authority was unable to develop a whole-city scheme as central government refused to provide any finance, the CEEB would not invest in a new CHP plant, and the rates of return were too low for private sector financing. Sheffield was unable to change the policy positions of central government and the CEEB. But the authority was able to make some progress in the latest phase of CHP development by focusing on the internal development of a core DH scheme which excluded the involvement of central government and the CEEB and by making major policy changes in the councils position on the role of the private sector. But between 1980-86 the local authority attempted to overcome the CEEBs and central governments constraints on a whole city CHP/DH scheme. These constraints provided a major impetus for the local authority to develop external relations with a number of organisations, including the national Labour Party to investigate potential solutions which could lead to the implementation of a scheme. Consequently in this phase the linkages between the local and national party are at their strongest and most well developed. The national party provided a mechanism for applying pressure to Select Committees and Ministers in Parliament through written and oral questions. The rest of this section explores the specific interactions between the local and national party over CHP/DH.

The main focus of local pressure on national Labour Party institutions including the Energy Committee, Energy Group, MPs, Shadow Energy Spokesmen and the annual party Conference was through joint local authority action on the National CHP Liaison Group (NCHPLG). This organisation was formed to represent the interests of all the local authorities attempting to develop CHP/DH. But Sheffield quickly took a key role in the work of the organisation later followed by Newcastle. The content and nature of these forms of interaction with the national party is considered in chapter 8. There were links with local MEPs and MPs. Although most of the linkages with Labour MPs came through joint local authority activity on the NCHPLG the local authority also formed its own linkages with local Sheffield Labour MPs. These contacts provided an important link between the locality, the national party and central government. Two elements of this relationship are considered in detail.

One element is the role of Frank Hooley MP for Heely constituency. Hooley had an interest in energy issues and a linkage might have been expected to form between the MP and the local authority when the CHP/DH option was being investigated by the council in this period. However, in 1982 Hooley was deselected by his CLP, the first deselection in Sheffield since 1973, and was replaced by Councillor Michie who was then chair of the newly created Employment Committee. The motivation for deselection focused on the MP's relations with Sheffield as Hooley lived in the West Midlands and was "criticised for concentrating too much on foreign issues rather than local concerns"⁴¹. Another local MP was quoted as saying

"Sheffield ? It's a funny place. There's never been a 'constituency' MP for Sheffield. They say 'bugger off down to London and don't interfere with things here'. So MPs have done as they are told and consequently haven't got involved in local affairs. Then it tends to go against them later"⁴².

The second element was that this incident was an example of the changing relations between local MPs and the City Council in the early 1980s. For instance, from the early 1980s regular monthly meetings were held between the five local Labour MPs and the local authority where information could be exchanged and the authority could ask MPs for assistance with particular problems⁴³. One MP, Richard Cabourn, who was previously a local MEP played an important role in assisting the local authority to overcome constraints on the development of the CHP/DH scheme during this period. Cabourn took a particular interest in CHP/DH for two reasons. Cabourn's European and subsequent Parliamentary constituency of Sheffield Central included the areas of the city within which any CHP/DH scheme would have to be implemented because of the areas HDHL. In any case Cabourn took an interest in energy issues and was anxious to support the local authority's attempts to implement the technology⁴⁴. As an MEP he lobbied and liaised with the EEC on the local authority's behalf to attempt to secure finance or demonstration funds for a CHP/DH scheme in Sheffield. He arranged meetings between the local authority and the DEN to discuss the constraints on the Sheffield scheme and approached various bodies including the CEGB to lobby on behalf of the local authority. Cabourn was provided with parliamentary questions by the local authority to challenge the government's and CEGB's policy towards CHP/DH in Westminster. In addition to these tactical moves to overcome particular problems Cabourn also played an important role in relations between the local authority and more formal policy making processes in the Labour Party discussed further below.

⁴¹ *Sheffield Star* 6th February 1982

⁴² *Guardian* 22nd February 1982

⁴³ *Meade Interview* 1987

⁴⁴ *Meade Interview* 1987

Linkages were not developed with trade unions in Sheffield over the issue of CHP/DH. Although the implementation of CHP/DH could have provided some work for the steel industry it would not have been significant enough to play a major role in an alternative plan for the industry. Most trade unions were busy attempting to resist redundancies and closures rather than formulating alternative plans. However the local authority did approach the NUM in 1983 to investigate the potential for NUM pension fund investment in a coal-fired CHP scheme. The NUM had a policy commitment in support of coal-fired CHP but were unable to invest in the Sheffield scheme due to restrictions on pension fund investment. But the linkage remained and the NUM was supportive of the Council's attempts to implement a coal-fired scheme.

CHP/DH was linked with the development of a regional plan. As part of the 1985 Labour Party "Jobs and Industry Campaign" the Labour Party Yorkshire and Humberside Regional Executive composed of TUC, local government and party representatives produced a Regional Plan. The plan only had the status of a consultative document as the regional structure of the party does not have a formal policy making role (see chapter 1). One of the main aims of the plan was "to develop practical policies for the next Labour government"⁴⁵. Councillors and officers from the Sheffield Employment Committee and DEED played an important role in the production of the plan which contained a wide range of policies and initiatives which built on the Sheffield experience. CHP/DH was involved in the plan in two policy areas. First, in proposals for a sectoral plan for the coal industry it was argued that "CHP, conservation and community heating programmes should be encouraged - to cut waste, save costs and meet social need"⁴⁶. Second, in proposals for new forms of regional government which "could be responsible for power supply"⁴⁷. The plan makes no detailed proposals for the form of regional government as this "could only be resolved through debate, both within the party and outside" but it does call for a local authority and trade union input. The Plan however does make a series of recommendations for action by a future Labour government including the production of regional programmes, the appointment of a minister responsible for the region and the provision of more resources for local authorities. The Plan was only of consultative status and not a formal national party policy document.

During this period linkages between the local and national party were well developed to assist the authority in attempting to overcome the constraints on CHP/DH development. Much of the interaction with MPs, the Labour Party Energy Group and shadow Energy

⁴⁵ *Labour Party Jobs and Industry Campaign 1985f p3*

⁴⁶ *Labour Party Jobs and Industry Campaign 1985f p12*

⁴⁷ *Labour Party Jobs and Industry Campaign 1985f p24*

Spokesmen took place through joint local authority activity on the NCHPLG. However, some linkages were developed specifically to attempt to overcome constraints on the Sheffield scheme. Consequently most of these linkages have been of a tactical nature. The Regional Plan was an attempt to link the proposals for CHP with national party policies for the mining industry and new forms of regional government with responsibility for power supply and CHP/DH. This type of linkage, concerned with the form of the Labour Party's support for CHP, continued to be important in the third phase of CHP development.

During the latest period progress has centred on the internal development of a DH scheme for Sheffield. The main focus of local authority activity on CHP/DH was resolving conflicts within the local authority and excluding external relations with the CEGB and Central Government to develop a DH scheme. Consequently there was much less impetus to develop linkages with external organisations and the national Labour Party over the specific problems of developing the scheme. The authority was not attempting to work with the national party to provide assistance and support in negotiations with organisations who needed to be involved with implementing a city wide CHP/DH scheme envisaged in the previous period of development. In this period the authority had chosen a different strategy focused on implementing a small core DH scheme in partnership with the private sector but not requiring the assistance of central government or the ESI who were uncooperative in the second phase. Consequently activity on the NCHPLG was significantly less important (see chapter 8). But there was the continuation of an important linkage over the nature and type of future relations between local authorities and a potential Labour government in which CHP/DH had a role.

First, the development of the Centre for Local Economic Strategies (CLES). The 1985 Labour Party policy document "A New Partnership: A New Britain" argued that

"Local Government will have a key role to play in our public investment programme. For it will be local councils which start to build our way out of the slump, improve public transport and rescue local services. This will mean giving local government the powers they need to serve their communities. A partnership of central and local government will also help to get Britain working again and we hope that local authorities will have expansion plans ready for when Labour Government takes office"⁴⁸.

Sheffield was amongst the small number of Labour local authorities which had begun to develop local plans in anticipation of the election of a Labour Government. Sheffield with some of these authorities in early 1986 formed the Centre for Local Economic Strategies to act as a focus for local authorities developing plans, exchange information and "draw

⁴⁸ *Labour Party Jobs and Industry Campaign 1985b*

attention to the implications of the plans for national economic planning"⁴⁹. However CLES argued,

"nationally, political support for local economic strategies is varied and tempered by the disparity between national theory and local practice. Local authorities do not claim that they can overcome the present national economic malaise simply by action at the local level. But it has been demonstrated that local authorities have a major role in the process of economic regeneration. This can only happen if complimentary policies are implemented at the national level"⁵⁰.

The clear implication was to draw the plans to the attention of the national Labour Party. The CLES held a conference in early 1986 drawing attention to the issues around the production of local plans and the statement issued at the end of the conference called on local authorities to start developing local employment plans including a commitment to "support new technological developments which provide better heating, insulation, and design, such as Combined Heat and Power schemes"⁵¹. Sheffield's close involvement in the formation and work of CLES had an important role in putting CHP/DH onto the CLES agenda. For instance CLES commissioned a report to review best practice amongst local authorities with respect to energy planning and to help establish a framework around which local authorities could develop a more coherent framework for energy issues. CLES argued that,

"although no CHP systems have yet started to develop in the UK, interest amongst local authorities is growing fast and with a change in Government attitudes to local authority funding it is likely that such systems will develop rapidly. It will be important, in such a case, for local authorities to have a coherent and coordinated approach right across the energy field to realise all the potential gains that such systems could yield"⁵².

This was a clear reference to the sort of support that might be expected from a future Labour government and the need for local authorities to develop plans. The development of local plans received some official encouragement from sections of the national party. The NEC formally supported the CLES April statement and in August 1986 the Local Government Section of the party headquarters issued an NEC Action-Advice Note which called on Labour local authorities to draw up new expansion plans covering capital expenditure, services, training and employment⁵³. The Advice Note drew Labour Group's attention to the 1986 CLES conference statement requesting local authorities to draw up expansion plans including the proposals for CHP/DH schemes. A working party to identify the most effective mechanisms for evaluating job creation initiatives and allocating resources was agreed with representatives from Labour Groups on the local authority associations, and the Parliamentary front bench and Walworth Road. Sheffield had an

⁴⁹ Ward 1986

⁵⁰ CLES 1986b

⁵¹ CLES 1986c

⁵² CLES 1986b p17

⁵³ Labour Party 1986d

important role in drawing up the proposals for developing local plans which would be implemented in partnership with a future Labour Government and was responsible for placing CHP/DH on to the local plans agenda.

Secondly, the development of the local jobs plan - "Sheffield: Working it Out". In response to the CLES and Local Government Section proposals a number of local authorities began to produce Local Jobs Plans. These met local and national needs within the Labour Party. At a local level Labour local authorities were facing severe financial problems and had recognised that their innovative employment and economic development policies could only be effectively implemented with central government support. Nationally the party was having difficulties in drawing up costed, detailed and comprehensive policies to put before the electorate at the general election which could be quickly implemented if the party formed the new government. Consequently the local jobs plans can be seen as meeting specific local and national party needs. There were however serious conflicts over the production of the plans particularly over the level of national party financial commitment. (These issues are discussed in Chapter 9.)

Consequently both local and elements of the national party came together in production of local employment plans which were seen as contributing to national employment policy. Sheffield played an important role in these developments as a member of CLES, as an authority which had done much to raise national policy issues locally and with Councillors Jackson and Blunkett's membership of the joint working party evaluating the proposals. As the 1987 Sheffield District Party manifesto argued after charting the years of Conservative centralisation, financial restrictions and constraints on the authority the

"manifesto then, is designed to maintain as much of our carefully built up services as possible, in the full knowledge that it will require the election of a Labour Government to allow us to develop our services to the appropriate level. A partnership between the public and private sector and between central and local government, is only possible if a Labour Government is elected at the general election. With the necessary support Sheffield has a bright future"⁵⁴.

In Sheffield the local plan was mainly produced by the Department for Economic and Employment Development together with an input from Councillor Jackson the Chair of the DEED and Blunkett, who were both closely involved with CLES. The plan provided an important opportunity for DEED to demonstrate that the constraints on their attempts to develop municipal socialism in the early 1980s could only be overcome and the Sheffield economy regenerated "as of a national and regional plan"⁵⁵. The plan was an attempt to develop the local part of an integrated local and national Labour Party plan for the region. In

⁵⁴ *Sheffield District Labour Party 1987 p1-2*

⁵⁵ *Sheffield City Council 1987d*

this context CHP was mentioned as a particular initiative which could be developed by the local authority in conjunction with the support of a Labour government. Unfortunately there was little indication in the plan about how this would be achieved although the plan did state that "a firmer commitment from central government and the CEGB to a whole city CHP scheme could create up to 400 jobs over a 5 year period"⁵⁶. But implicit in the plan is the proposal that the local authority would be responsible for municipal energy production.

It is important to stress how far the jobs plan was seen as part of a national Labour Party policy in the locality. For instance the Sheffield Chamber of Commerce with whom the local authority and DEED had successfully worked over the CHP/DH proposals clearly saw the Sheffield jobs plan as "part of a national Labour Party strategy"⁵⁷. The Chamber of Commerce were quite dismissive of the plan but were unwilling to engage in a local debate about its contents. However the Chamber unsuccessfully challenged, through an approach to the District Auditor, the authority's legal right to spend resources on the plan's production when they saw it as a part of national Labour Party policy.

With the internal focus on the development of a DH scheme in Sheffield the development of linkages with the national Labour Party to remove constraints on the technology has been much less important as Sheffield excluded the involvement of outside organisation. However in the period up to 1987 new types of linkage, building on the regional plan proposals, were developed to link the city's plans for CHP with new national policies for a partnership between central and local government to create employment and develop new forms of regional government. The next section relates the periods of local-national party interaction and the structures utilised with different forms of localisation.

LOCALISATION AND CHP/DH

Although an interface clearly exists between the local and national Labour Party, the local objectives for forming the linkage need to be related to the different types of localisation discussed in Chapter 3. There are two identifiable groups within the authority, the CHP Group and Municipal Enterprise group, comprising officers and councillors each with specific interests in CHP/DH, particular reasons for forming an interface and proposing certain types of localisation.

⁵⁶ *Sheffield City Council 1987d*

⁵⁷ *Hambridge Interview 1987*

Forms of Localisation***CHP Group: Strategy, Lobbying***

The CHP group's interest in implementing a CHP scheme is closely related to the type of structures used to develop an interface with the national party and the forms of localisation proposed. They focused on building up and maintaining Labour Party support for CHP. The linkages with the national party were used to encourage the national party to adopt particular positions on CHP/DH to assist in removing some of the constraints on the local implementation of the technology. Most of this type of linkage was developed with other local authorities, who shared similar difficulties, through the NCHPLG although in some instances Cabourn approached the CEGB to lobby for movement on issues specifically affecting Sheffield. The linkages made by the CHP group was with those parts of the national party specifically concerned with energy issues. This included the Labour Party Energy Group and shadow Energy spokesmen. The CHP group recognised that CHP was related to other policy issues such as employment and industrial policy, they maintained their focus on the removal of the constraints to the implementation of an energy scheme. Their position was that relating CHP to wider policy objectives could take place after a scheme was developed. Consequently they did not try to influence the specific form of the Party's commitment to develop CHP if it formed the next government. The main interest was developing viable proposals which could be implemented whether or not the Labour Party formed the next government. If Labour had been elected they would have expected support for implementing the technology but expected to negotiate after the election with a Labour government rather than plan before⁵⁸. This form of localisation concerned with national Labour Party strategy for CHP and lobbying the party for assistance with implementing the Sheffield scheme is discussed in detail in Chapter 8.

Municipal Enterprise Group: Municipalisation, Regionalisation and Demonstration

The Municipal Enterprise group's interest in CHP/DH had important implications for the structure and content of local-national interaction and the types of localisation proposed. The interaction was concerned with the form of the national party's policy for CHP/DH. The group were interested in relating CHP to new forms of national policy for employment creation, sectoral planning and new forms of regional government. Consequently the interaction did not focus on those parts of the national party specifically concerned with energy policy formulation. The group developed and utilised new structures for linking local and national party such as the regional plan, the local jobs plan and links with MPs and

⁵⁸ Meade Interview 1987

shadow spokesmen such as Prescott interested in the development of a partnership between local and national party strategies.

The group initially attempted to develop policies as alternatives to the policies of the Conservative Government which could be implemented even though the national party was in opposition. Blunkett argued that "waiting for the next Labour Government to change the world, to legislate for democratic control and the economic millennium simply will not do. Not only cannot Parliamentary action miraculously change the world, but nor should it"⁵⁹. The District Labour Party's 1983 Manifesto echoed this theme

"An alternative strategy.. naturally requires coordination at a national level by a future Labour Government. But such a plan cannot be devised in Westminster or Whitehall by politicians and civil servants; such a plan must be based on the skills, knowledge and initiative of ordinary working people if it is going to meet their needs. A socialist authority like Sheffield will have a crucial role to play in making such a plan come to life for the benefit of people in Sheffield"⁶⁰.

Sheffield City Council aimed to use economic policy "to develop genuine, socialist alternatives to the top heavy policies of the last Labour government and the various monetarist policies of the current conservative government"⁶¹. Blunkett argued that the role of local authorities like Sheffield City Council was to use the "local state as an example of what we could do as a Socialist government at national level" as "there is a great deal we can learn while the Labour Party is in opposition"⁶². Blunkett was interested in "elected councils becoming the means by which coherent industrial and economic programmes are built into plans for the national distribution of resources." including "public utilities such as ... energy-supplying industries which needs to be properly integrated into plans for economic regeneration"⁶³. But "it is not possible to spell out here the precise structures that are needed for greater accountability and coordination but they must be the central objectives in reshaping local and regional government for the future"⁶⁴. But by taking a longer term view of local government history it was argued that "the examples in the past of local governments role in providing electricity, gas, transport, telecommunications and construction, can all be reflected in the modern initiatives of meeting social need"⁶⁵. In the early 1980s the emphasis was clearly placed on developing a socialist alternative but by 1984 it was clear that there were too many constraints on municipal enterprise and that implementing a "grand design for restructuring the private economy in the interests of labour

⁵⁹ *Blunkett 1981*

⁶⁰ *Sheffield District Labour Party 1983*

⁶¹ *Sheffield City Council 1981*

⁶² *Blunkett 1981 p102 & 103*

⁶³ *Blunkett and Jackson 1987 p 209*

⁶⁴ *Blunkett and Jackson 1987 p 209*

⁶⁵ *Blunkett and Jackson 1987 p123*

had to be abandoned until the return of a Labour government"⁶⁶. As Cochrane argued "Sheffield's policies were developed on the basis that they should indicate possibilities for a wider socialist society. They were to be prefigurative, rather, necessarily, than being able to have a dramatic impact on the local economy"⁶⁷.

In 1984 Blunkett outlined what would be expected from a future Labour Government in terms of the financial and legal changes but argued that it would "take two or three years to get programmes off the ground unless Labour local authorities planned in advance"⁶⁸. If this happened local authorities could then

"develop examples, illustrating possibilities - it has to be remembered that the health services, gas water, electricity, telephones, sewerage were all started by local government in the urban areas. We want to do something similar with modern enterprises. Above all we would want central government to accept the role of local authorities in this overall planning process"⁶⁹.

Consequently from 1985 the group was involved in a variety of initiatives which tried to link Sheffield's ideas about the role of municipal enterprise and the need for national government support to the development of alternative policies in the national Labour Party. CHP/DH was involved in these initiatives which included proposals for employment policy, sectoral strategies and alternative forms of local and regional government. But it is important to recognise that there was no direct link with energy policy formulation and that CHP was used to form links with other policy areas. The Municipal enterprise group was involved in three policy initiatives linking local and national party and used CHP as one element in the production of new policy initiatives, municipalisation and regionalisation, representing an attempt to localise national policy formulation.

These initiatives were the Charter for Yorkshire and Humberside, as part of the 1986 Jobs and Industry Campaign, involvement in CLES and the related 1987 Local Jobs Plan. These initiatives but had been promoted by, and could not have been produced without the active involvement of Labour local authorities particularly Sheffield. CHP was introduced into the Regional Plan as an example of how a local technology could help assist the development of plans the local mining industry and new forms of regional government. The commitment to CHP in the local Jobs Plan was much more specific proposing the municipalisation of energy supply. Through these new mechanisms the proponents of municipal enterprise have put CHP on to the national party agenda. Another issue is to what extent the national party was committed to these new policy initiative linking local and national strategy which is discussed in Chapter 9.

⁶⁶ *Green 1987*

⁶⁷ *Cochrane 1988a*

⁶⁸ *Blunkett 1984 p256*

⁶⁹ *Blunkett 1984 p256*

Richard Cabourn had a role in the activities of both these groups. Cabourn was a member of the Prescott group of MPs and was responsible for liaising with the local authority over the production of the local Jobs Plan and arranged for Prescott to open the construction of the Sheffield DH Scheme in November 1987. It is also significant that both Blunkett and Jackson participated in various Prescott Plans that include reference to the potential of the Sheffield CHP project in terms of the job creation, function of a new regional authorities and local stimulation of the mining industry. (An assessment of the importance of these activities is made in Chapter 9.) Clearly the activities of the two groups identified above are not mutually exclusive as the Municipal Enterprise group were dependent on the success of the CHP group in developing a successful scheme. However what is clear is that each group used CHP in different ways in it's relations with the national party and that this had important consequences for the type of localisation which resulted.

CONCLUSION

An analysis of the localisation of national Labour Party CHP/DH policy requires a close understanding of the treatment of CHP/DH in Sheffield, the nature of the relations between local and national party and the types of localisation canvassed by local groups in particular the Municipal Enterprise and CHP group. The activities of these two groups is linked to different types of localisation. On the one hand the CHP group were concerned with developing linkages with those parts of the national party responsible for developing energy policy. The interface was used to develop two types of localisation. First to lobby on behalf of the local authority and second to encourage the national party to adopt particular strategies on CHP in opposition to attempt to overcome the constraints on its development. On the other hand, the Municipal Enterprise group focused on those parts of the national party concerned with developing linkages between national and local policy for CHP/DH. This led to the development of new types of structures linking local and national party such as the regional plan, the establishment of CLES and the local jobs plan. Rather than just attempting to localise Labour Party energy policy the group tried to link CHP to proposals for new types of national policy including municipalisation and regionalisation. Consequently CHP/DH was linked to new forms of employment policy, sectoral plans and proposals for local and regional government. Two different forms of localisation were developed in Sheffield and their impact on the national party is discussed in Chapter 9.

CHAPTER 7 LONDON AND CHP/DH

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INTRODUCTION

This chapter analyses the interest of the Greater London Council (GLC) and the London Borough (LB) of Southwark in combined heat and power/district heating (CHP/DH) over the period 1977 - 87. Particular emphasis is placed on three issues. First, an analysis of the political, economic and social reasons for the local authorities interest in CHP/DH. Second, an examination of the nature of the interface that was developed by the local authorities with the national Labour Party over the issue of CHP/DH. This includes looking at the reasons why groups in the locality sought access to the national party, the mechanisms and structures utilised and the content of the interaction. Third, an analysis of the types of localisation, new national policy formulation and/or demonstrations of national policy that have been sought by the local authorities.

This case study is much more complex than the Newcastle and Sheffield studies for a number of reasons. First, the shorter length and nature of Labour Party control. From 1977 the GLC was controlled by a Conservative administration until its replacement in 1981 by a left wing Labour group. The GLC was subsequently abolished in April 1986. In the LB Southwark a right wing Labour group was ousted by a left wing set of councillors in the 1982 elections. These changes had very important implications for the subsequent treatment of CHP/DH. Second, these elections introduced new interests in CHP/DH at member and officer level which led to a series of unresolved conflicts within the Councils about how the technology should be developed. Third, in the GLC under both Conservative and Labour control, CHP/DH was linked to a wide range of local, regional and national issues. Finally, particular types of local-national Labour Party interface and forms of localisation not found in the other case studies developed in London.

Consequently the explanation is complex but the analysis attempts to link the three research questions to three distinct phases of CHP/DH development in London and the interests of particular groups of councillors and officers in CHP. The rest of this chapter is divided into three sections. First, an analysis of the reasons for local interest in CHP during the three phases of its development in London. Second, an analysis of the phases and structures of the local-national party interface. Finally, an examination of how the local interest in CHP and the nature of the local-national interface relate to the different forms of localisation proposed in London.

LOCAL INTEREST IN CHP/DH

An analysis of the role of the GLC and LB Southwark in the localisation of national Labour Party CHP policy requires an understanding of the reasons why both authorities were interested in the development of CHP. The local political situation was particularly complex with, two tiers of local authority, differing types of Labour Party politics, within the GLC widely differing perspectives on CHP and abolition of the GLC in 1986. Internal disagreements, within and between the local authorities, were never fully resolved which had important consequences for the relations with the national party and the type of localisation. Within the London authorities three CHP interest groups can be identified.

First, the role of professional engineering officers. Throughout the 1977-87 period a network of professional engineers within the local authorities played an important role in stimulating interest in CHP and formulating Council strategy for CHP. From the mid 1970s a number of technical officers in both the GLC and LB Southwark, in Housing, Architectural and Mechanical and Electrical Engineering Departments, had a strong interest in CHP technology. Their interest was based on

- the promotion and extension of municipal engineering technologies and professional interests;
- an alternative professional engineering critique of the CEBs present technological options; and
- a technical solution to a variety of engineering problems, such as waste disposal and house heating.

This group, often in consultation with outside consultants, played a key role in stimulating local authority interest in CHP and in linking CHP to other policy areas such as waste disposal, pollution control and power station siting. Throughout the 1970s and early 1980s the debate around CHP at local authority level was almost entirely confined to this group.

A second group was the popular planners. The professional technocratic view of CHP came under increasing challenge by the incorporation of new political ideas in the GLC from 1981 and the LB Southwark from 1982. Within the GLC the Industry and Employment Committee (IEC), working through the Economic Planning Group, London Energy and Employment Network (LEEN) and the Popular Planning Unit took a much wider economic, social and political view of the importance and implications of CHP. This group of officers were brought in by the IEC on the basis of their experience of working with trade unions, community groups and local energy initiatives such as the Lucas Campaign, SERA and Newcastle energy campaigns. Their main interests in CHP centred on

- avoiding the past mistakes of DH
- maximising the local economic and social benefits of CHP

- seeking participation of consumers in the design, construction and control of a scheme
- demonstrating viable alternatives to nuclear power and increasing coal consumption.

This group raised CHP in a wide variety of policy issues including, industrial and employment strategy, anti-nuclear policies, and support for the miners. This development is related to earlier linkages between CHP and a wide range of policy issues; the spatial link between CHP and a large conurbation; the social and economic benefits of CHP; and the wide ranging implications of developing CHP.

The third group, the CHP group, comprised officers from the Transportation and Development Department in the GLC, and councillors, with prime responsibility for coordinating the CHP scheme in the GLC and LB Southwark. This group tried to mediate between the engineers and popular planners. Work on CHP was divided between the technical officers who handled the engineering feasibility studies and the popular planners who focused on employment, popular planning, anti-nuclear strategy and local energy planning.

These different local interests in CHP created problems as responsibility for implementing a scheme was fragmented between a wide range of departments in the GLC and between the GLC and London Boroughs. Each group supported the technology for its own specific, even then sometimes conflicting, reasons. Consequently, coordination was problematic and diverted resources from attempting to implement a scheme in London. In addition the Conservatives' abolition proposals created a very unstable context in which to formulate CHP proposals. There were a number of serious conflicts between the engineering and popular planning groups over what was technically, institutionally, economically and political feasible for the development of CHP¹. The Popular Planners argued that

"whilst technology and its development is essential for energy efficiency it must always be closely tied in with real needs. Too often technicians, engineers and architects carry on a sterile debate about how to develop technology quite unrelated to any economic and political context. It is not new energy technology or products that are the first priority but the application of existing ones and their cheaper availability. The central issue is how to overcome the institutional, financial and political barriers to the use of existing technology whilst simultaneously avoiding merely imposing changes from the top down"².

There were conflicts over the type of institution that should implement a scheme, the degree of private sector involvement and consumer participation. Despite such conflicts there was a continuity of ideas around CHP in the GLC even with the change in political control from Conservative to Labour in 1981. For instance the origin of many of the ideas and policies in

¹ Hart, Hutchinson and Geddes Interview 1987

² GLC 1986h p542

the Labour GLC's alternative energy strategy can be found in the 1978 Energy Policy Document produced under the Conservative administration. The difference is that these initiatives probably would not have been implemented without the 1981 Labour GLC that considered them important enough to allocate substantial resources to their implementation. As there was very little possibility of actually implementing a scheme many of the areas of disagreement did not need to be resolved. The CHP group simply tried to keep their options open to negotiate with a future Labour Government for funding of a scheme after 1986. The CHP and popular planning groups were particularly important in developing an interface with the national party and proposing certain forms of localisation. The rest of this section examines the development of these local interest groups in the three phases of local authority action on CHP in London.

Professional CHP/DH Initiatives: 1977 - 1981/82

In the first period initiatives on CHP was led by professional engineering and technical interest in both authorities. The nature of the initiatives reflected the specific functions of each authority. The GLC was the key strategic authority for London concerned with functions such as planning and waste disposal while the LB Southwark focused on local issues such as the provision of housing. Political involvement in CHP was at a relatively low level, reflecting the non-interventionist stance of the Conservative controlled GLC and right wing Labour LB Southwark, with professional engineering officers developing council strategy for CHP/DH.

GLC & CHP/DH

The GLC's interest in CHP/DH was closely related to the Council's strategic planning role for Greater London. The authority was often consulted by central government and the nationalised industries on proposals affecting the South East, Greater London and the local government system in general. The Council had the technical expertise and resources to put forward its views on a wide variety of issues. CHP/DH was raised in a wide range of policy issues in this period.

First, the CHP/DH scheme at Pimlico in Westminster, where heat was drawn from Battersea power station, was threatened with closure when Battersea power station was removed from the grid in the early 1980s. The GLC asked the CEGB to "reconsider its proposal to dismantle the only existing CHP scheme in London"³. Second, the GLC was involved in proposals for the extensive redevelopment of the North Southwark Waterfront in the early

³ GLC 1980a p6

1970s and the Council proposed the inclusion of a CHP/DH scheme based on Bankside power station. Although some sections of the heating main were laid the scheme was abandoned for 'economic' reasons. Third, during the period 1960-1980 the GLC, with other local authorities, considered the problems of future electricity supply. In the mid-1960s it was forecast that peak electricity demand would increase dramatically requiring sites for new power stations in the region. Local authorities were concerned about generating station location, the transportation and disposal of waste, increased atmospheric and air pollution and the visual impact of large power stations. Eight power station sites were identified in Greater London which the authorities argued were "capable of development with CHP for district heating"⁴ and they "would wish to see a strong commitment by Government to these options not least because of the extension of the life of existing plant and of sites and supply capacity that may afford"⁵. Fourth, the Conservative GLC commented on the Labour Government's 1978 green paper, "Energy Policy: A Consultative Document", by commissioning a report "Energy Policy and London" examining the implications of government energy policy for London. Although the reports recommendations were not adopted as GLC policy they were critical of government energy policy and argued that "further consideration should be given to the merits and implications of conducting studies designed to assess the potential of introducing CHP schemes in London"⁶. Fifth, the GLC was the largest waste disposal authority in the country disposing of 3 million tonnes of waste annually. Most of the waste was disposed by land fill sites but 13% was burnt at the Edmonton incinerator generating 40MW of electricity sold to the Thames Water Authority and Eastern Electricity Board. In 1979 the GLC decided that greater emphasis should be given to energy and resource conservation and considered CHP as a variation on straight incineration but recognised that "the viability of CHP is very dependent upon the location of the consumers of heat, and the cost of DH schemes" ⁷. Finally, in 1970 the GLC adopted a policy of favouring DH in its own buildings because of lower costs-in-use, avoidance of maintenance problems, condensation and mould⁸. Until the 1973 energy crisis it was possible to obtain fuel for DH systems much more cheaply than could individual domestic consumers. But from 1973 it was impossible to negotiate contracts for fuel supplies on such favourable terms and charges for DH were substantially increased and the cost passed on to tenants. Consequently DH became a less attractive option⁹.

⁴ GLC 1981a

⁵ SCLSERP 1979

⁶ GLC 1978

⁷ GLC 1979c p6

⁸ GLC 1970 p2

⁹ GLC 1976b p6

In each of these policy issues CHP was considered as an option for specific reasons such as reducing pollution or disposing of waste. But CHP was never an important political issue. The GLC requested that the Government or the CEGB consider the option but each time a specific scheme was considered in London it failed for 'economic reasons'. The GLC did not consider CHP as an important enough issue to contribute time or resources to pursue the option. Officers mainly attempted to keep the option open at both local and national level but the Labour Government maintained that little could be done until the Marshall report was published. However GLC officers were aware that opportunities for CHPs development might be more concrete with the publication of the Marshall Report. The Council had commented and provided technical assistance to the DEN over the production of Energy Paper 34 and the Marshall Report. Consequently when the Report was published in 1979 and the new Conservative Government established the Atkins programme, GLC officers were authorised to assess in more detail the scope for introducing CHP in London. The Council's involvement was limited to the provision of information and data but the authority did have an important role in assisting Atkins with the identification of the areas suitable for a scheme and coordinating the London Boroughs responses to the proposals¹⁰. The principal reasons for the Council's support of CHP were that

- CHP/DH appears to offer the possibility of reducing London's demand for energy by one quarter;
- studies carried out in the London Borough of Southwark suggest that CHP/DH could provide heat to consumers substantially cheaper than gas by the end of the construction period;
- studies carried out by the City of Newcastle-upon Tyne indicate that the introduction of a CHP/DH system would create new employment at the rate of 200 man-years work for every 1,000 dwellings converted to the system;
- the introduction of CHP/DH could lead to improved housing conditions by reducing condensation problems;
- pollution of the atmosphere by sulphur dioxide is a major problem in many parts of London as a result of the use of fuel oil with a high sulphur content for heating buildings. The introduction of CHP/DH could be expected to reduce this¹¹.

The council assured the DEN of its support and recommended the implementation of a project in London. But there was very little political involvement in the proposals. The Council's role was seen in terms of the provision of advice and assistance by professional officers who were given considerable autonomy to develop the Council's strategy. The 1980 Atkins interim report "recommended that a scheme in London (Central and East) be further investigated as a shortlisted area"¹². The next phase would select one or two locations with the best potential of CHP development for Lead City support. The Council continued to support the proposals and provided research support for the consultants.

¹⁰ GLC 1980c

¹¹ GLC 1980c, 1981b

¹² Atkins & Partners 1980

However the Council's strategy was overtaken by the election of a Labour GLC in May 1981.

Southwark LBC, Housing and CHP/DH

The LB Southwark's interest in CHP focused on the Council's extensive DH schemes and professional engineering interests in CHP. The Council has the largest number of DH schemes in the United Kingdom, heating some 25,000 homes. DH was installed during the 1960s and 1970s when the comprehensive redevelopment of parts of the Borough and the construction of large municipal housing estates took place. But from the mid-1970s a number of these scheme began to suffer from serious technical problems and the Council embarked on an investment programme to upgrade the schemes, which lasted into the early 1980s. A number of engineering consultancy firms were employed by the Council during this period, including Orchard Partners. Close professional and personal relationships developed between senior officers in Housing Technical Services and a senior partner of the consultancy which was instrumental in stimulating Southwark's interest in CHP. Following publication of the Marshall Report in July 1979, exploratory work was initiated by the LB Southwark Housing Department in to the possible benefits of CHP/DH in Southwark. In November 1979 the authority commissioned Orchard Partners to investigate the feasibility of developing CHP/DH in the borough¹³. Southwarks interest in CHP/DH was stimulated by the convergence of public and private sector professional engineering interests in the promotion of the technology. "It came from professionals working within housing on the professional technical network through consultants who had worked with Southwark"¹⁴. Professional engineers in the housing department and Orchards wanted to see CHP/DH developed in Southwark where it was technically very feasible. Officers were able to secure the local Labour Party's support for feasibility studies on the basis of the potential of cheap heat for local tenants. But primarily it "was done to ensure that Southwark was there when the Atkins report was published. There was nothing political about it, it was a professional initiative that members subscribed to"¹⁵.

In July 1980 the preliminary findings of the Southwark study indicated "the advantages of Southwark being nominated a Lead City" and the report was submitted to the DEn together with an application for consideration as a lead city¹⁶. The DEn application emphasised the advantages of CHP for Southwark, and over other areas, including local authority control over the heat load, the large number of district heating schemes and the potential for

¹³ *Orchards 1980*

¹⁴ *Geddes Interview 1987*

¹⁵ *Geddes Interview 1987*

¹⁶ *Southwark LBC 1980b*

forming the nucleus of a Greater London scheme. This approach was designed to establish the LB Southwark as the prime candidate for the development of a lead city CHP scheme as the senior councillor and officers "regarded themselves as innovators and feel that the borough has all the necessary attributes to undertake a successful pilot CHP project"¹⁷. The strategy was developed by key officers in the Housing Department in conjunction with the Orchard Partners consultancy. Member level involvement was extremely low to the extent that officers had to prepare a short film and presentation on CHP to "intensify Member level commitment". There was no discussion of the proposals in the Labour group and member participation was restricted to informal meetings between senior officers and councillors. Consequently officers were given considerable freedom to negotiate with the DEn and private sector interests. Close relations were developed with the senior DEn official who led on CHP. This provided officers with information on DEn policy, the strength of other local authority bids and advice on the development of Southwark's strategy. There are indications that the DEn and Conservative ministers held the Southwark initiatives in high regard. Following these informal consultations the authority were concerned that was receiving sympathetic consideration by the DEn and consequently "it is imperative that we are seen by Central Government to be making determined commitment and progress"¹⁸. Action was taken in three areas. An officer-led CHP Steering Group was established to coordinate and monitor the council's activities for CHP and the Policy and Resources Committee set up a Members CHP Group sub-committee. The council contributed 20% towards the cost of a DEn CHP disruption study in the Borough¹⁹. The Council funded a DH inter-connection study in the borough as "an essential part of the programme towards Southwark possibly being nominated in July as one of two Lead Cities"²⁰.

In March the Government announced that nine cities had been selected for the next phase of the studies in London. It was proposed to focus on two spatial areas. The first was a large area encompassing the inner boroughs and the second smaller area was confined within the boundaries of the London Boroughs of Tower Hamlets and Southwark, with a heat load totalling 1,000 MW to be examined in greater depth. For the rest of 1981 there was relatively little activity until the election of a new Labour Council in May 1982.

A London CHP/DH Scheme: 1981/2-86

The treatment of CHP/DH was transformed in both the GLC and LB Southwark in the early 1980s by the election of new left wing Labour councils. The main result was the increased

¹⁷ *Minutes of Meeting*

¹⁸ *Minutes of Meeting*

¹⁹ *Southwark LBC 1981a*

²⁰ *Southwark LBC 1981b*

politicisation of the Councils' initiatives on CHP/DH. This had several important implications. First, the officer-led strategy which characterised the earlier period of CHP development was increasingly challenged by local Labour Party control of council CHP strategy. Key members in both Councils took a close interest in the technology and took strategy papers to their respective Labour groups. Second, rather than each authority pursuing its own CHP scheme a joint approach to CHP was developed by the GLC and LB Southwark. Third, new councillors and officers had different interests in CHP related to the technology's employment potential, a critique of Conservative energy policy and the demonstration of alternative energy strategies. Fourth, new linkages were developed with outside organisations rather than just consultants; this included SERA, trade unions and tenant's organisations. Finally, these changes resulted in a number of conflicts within the GLC over the appropriate strategy for the development of CHP.

Labour Greater London Council and CHP/DH: 1981

In May 1981 the London Labour Party won control of the GLC. The new Council was elected on a manifesto over 100 pages in length, prepared over the previous two years and committed to developing innovative transport and industrial policies to turn back the massive loss of manufacturing jobs in London. Energy issues were not included in the manifesto and were not an important political priority for the Labour group in the first year of their control of the Council. In July 1981 the Finance and General Purposes Committee considered the previous administration's work on energy policy and the new council re-affirmed its support for CHP and the development of a pilot scheme in London. The chair of the committee Councillor Tony Hart, whose background was technical, working in the CEGB on flue gas de-sulphurisation, became interested in the development of CHP. At this stage the Council's involvement was limited to assistance in the preparation of the Atkins study and commenting on drafts of the report. But the issue was transformed in May 1982 when Hart met with the Socialist Environmental Research Association to discuss the SERA report "Towards An Energy Policy for Greater London". SERA emphasised that

"it was very important to involve the community in planning energy policy. Effective energy policies were more likely to be achieved if there was real local participation." and "there was an important political message to put across, namely that public spending on CHP schemes would be cost effective as well as generating employment, and that it should form an integral part of any future energy policy." (Minutes of meeting)

Following this meeting the Economic Policy Group was asked to consider how the concept of "popular planning" could best be developed in relation to energy issues²¹. At the Labour Group Policy Coordinating Committee later in May, Hart gave a presentation to the Labour

²¹ *Minutes of Meeting*

group on the background to CHP and the reasons for Council support which included energy saving, cheaper heat to the consumer, creation of employment opportunities, improved housing conditions and reduced atmospheric pollution. But primarily, the Labour group's interest focused on CHP as "one of the most significant areas for the creation of genuinely new employment". The committee agreed that the GLC should play an active role in the National CHP Liaison Group (NCHPLG), prepare a briefing note for London MPs on CHP, press the DEn for speedy progress to the next stage and examine CHP as a means of creating employment. As a result of this initiative members of SERA met with the newly formed Economic Policy Group to discuss the linkages between energy policy and employment creation. It was clear that energy could create employment and met social need. Consequently a member of SERA joined the Council to work part time on energy issues and CHP became a important part of the new industrial strategy, Local Energy Plans and the evidence presented at the Sizewell Inquiry. This work is considered in the next section.

From the middle of July the Council began to receive copies of Atkins interim report for comment and noted that "nothing in the consultant's report suggested that the Council should reconsider its support for the development of CHP/DH in London or the basic reasons for that support" and urged the Secretary of State to commission further studies in London without delay²². The Council now had to wait for the Government to select one or two Lead Cities. However at the Labour Group Policy Committee in March 1983 Hart reported that the government was unwilling to sponsor a scheme in one area as all the lead cities could develop feasible schemes and the DEn was looking to each city to bring forward proposals. The key issue was finance and the DEn was unwilling to finance a scheme. Councils could overcome this constraint by developing their own proposals for a scheme with private sector funding²³. The Labour Group recommended that the Council should now produce a detailed plan for the development of CHP in London including; a meeting with the LB Southwark and Tower Hamlets to prepare a joint proposal for the phased development of CHP for submission to the DEn; the study of different institutional arrangements that "provide effective community control of CHP/DH services"; and the formation of a CHP project team.

But there were serious difficulties at officer level in developing institutional arrangements to deal with CHP. At the start of 1983 there were a series of policy commitments to CHP, the Council had agreed to develop a London Energy Strategy, draw up proposals for its own CHP scheme and develop CHP in the London Industrial Strategy, Local Energy Plans and

²² GLC 1982d

²³ GLC 1983a

the evidence for the Sizewell Inquiry. In less than two years there had been a substantial expansion in the Council's work on CHP and energy issues with serious potential for confusion and conflict. Work on energy issues was split between a number of departments and working parties. The Energy Management Group chaired by the Department of Mechanical and Electrical Engineering covered the Council's internal energy management issues. The Energy Policy Group led by the Department of Transport and Development considered London wide energy issues. The Economic Policy Group under the Industry and Employment Committee was active on the industrial and employment implications of CHP. In 1983 the Finance and General Purposes Committee established a three member sub-committee, the Science and Energy Panel, to act on energy matters.

Officers reconsidered the internal arrangements for dealing with CHP as there was some resistance to pursuing work. The Controller of Transport and Development was concerned that energy issues "did not fit comfortably with this department's other activities"²⁴. A number of senior officers felt that CHP was "a matter for national policy and the lead would have to come from central government" and they were "not in favour of further London wide studies of combined heat and power"²⁵. The IEC argued that it could not take more responsibility for CHP. It was decided that the present arrangements should continue with the Energy Policy Group responsible for CHP facilitating liaison between different departments. However the Science and Energy Panel set up a project team under DMEE to pursue the proposals for a London wide CHP scheme. With the absence of a government response to Atkins they put forward proposals to start the development of a joint approach to CHP implementation in London²⁶. Consequently there was a wide range of GLC departments working on CHP, all from their own particular perspectives with consequent potential for conflicts and confusion.

New Labour Southwark LBC and CHP/DH: 1982

In May 1982 a Labour Council was re-elected in the LB Southwark. However a new left-wing Labour group replaced the right-wing Labour group known locally as the Bermondsey Mafia. The new councillors had a whole set of new priorities including the improvement of the housing stock which had been reaching crisis point under the old administration, equal opportunities, developing community groups and support for voluntary sector²⁷. This brought about a major change in the way policy was developed on CHP. Officers working on CHP were meeting with the private sector who were interested in investing in CHP in

²⁴ *Minutes of Meeting*

²⁵ *Minutes of Meeting*

²⁶ *GLC 1983*

²⁷ *Geddes Interview 1987*

Southwark as this "may prove attractive to the present government"²⁸. They sought guidance from the new deputy leader as they recognised that "the involvement of the private sector may not be acceptable to a number of members". Although CHP did not become a major political issue the Deputy Leader took a particular interest in the technology and unlike the previous administration took strategy papers to the Labour group to decide on the CHP/DH policy approach. All the new members were provided with details of Council activity on CHP from 1979 to 1983 and a member seminar held to discuss progress. The new Labour group wanted to be clear about the benefits of CHP/DH for the locality. The Council rejected private sector involvement in a scheme but accepted that CHP would "offer much needed employment, energy conservation, reduced heating costs, improved conditions of housing and health, regeneration within the borough and reduced pollution of the atmosphere". On this basis the Council re-affirmed its support for CHP. But these changes were overtaken by political initiatives within the GLC which led to the development of a joint approach to CHP.

Development of Joint Approach: Consortium Submission July 1984

At the end of 1983 the GLC invited LB Southwark and Tower Hamlets officers and members to investigate the potential of a joint initiative to progress proposals for a CHP scheme for London as "it seems clear that no single local authority in London could be in a position to commission and support fully CHP development and for that reason joint action by those authorities with the most to gain from CHP seems the most promising way forward"²⁹. However these discussions were overtaken by the Government's announcement in April 1984 to invite consortia of local authorities to bid for grant aid. The proposals to form a joint approach went to the Southwark Labour Group in June and a powerful argument in favour of the proposals was presented on the basis of the benefits of CHP for the Borough which included a reduction in energy costs, employment generation, reduction in pollution and improvements in housing and health conditions. CHP would contribute to the development of Southwark's nuclear free zone policy and national Labour Party policy it being part of the national Labour Party's 1982 programme³⁰. Also the development of CHP

"would enable local authorities to have an increasing intention and involvement with, the consideration of national energy policies. In other words the support of CHP presents some small opportunity to start democratising energy issues. ... Southwark's involvement will enable the GLC to develop the role that it has played over recent months, in the present political climate there are strong arguments for this to be actively pursued still further"³¹.

²⁸ *Letter to Geddes from Officers Nov 1983*

²⁹ *Letter Hart to Geddes*

³⁰ *Southwark LBC 1984a & b*

³¹ *Southwark LBC 1984a*

to involve consumers was based on two issues. First, to convince consumers that the major problems with existing group and district heating systems could be corrected. Second, to develop mechanisms that allowed consumers to exert sufficient control over the system to ensure that CHP was responsive to their needs⁴¹. Eight meetings in each borough were planned to bring together a panel of tenants recruited from community groups and tenants groups from the areas where CHP would be implemented in each borough. Due to time constraints it was only possible to hold five meetings in LB Tower Hamlets and four in LB Southwark which "did not attract a high rate of attendance"⁴². CHP was often seen as "remote from the various needs and concerns of the organisations involved in the borough". There were complaints from tenants of inadequate heating and high costs, problems with DH and some scepticism about the ability of local authorities to develop effective CHP systems. Tenants wanted a better quality of service than at present offered by Direct Labour Organisations, controls over their heating and a well designed pooled cost system which incorporated a welfare element. There was universal agreement that the private sector should not be allowed to control the system or determine the level of charges and local authorities were seen as the most acceptable developer and manager of a scheme⁴³. Overall, CHP seemed very remote to most tenants and there was scepticism that a system could be developed given the past record of systems built housing and poor housing maintenance and repair. It was clear that CHP could only develop with tenant support if its development was linked to wider improvements in housing conditions and local authority services.

An important issue in the development of the core CHP schemes was the threat of abolition. Implementation of the schemes was dependent upon considerable investment and managerial resources and the concern was that abolition would "result in a major fragmentation of services"⁴⁴. The LB Southwark and Tower Hamlets were in no position to find the funding or staff resources to undertake the necessary development work and the work was unlikely to attract support from the London Residuary Body. One solution was to set up the London Community Heating Trust Limited to progress development of the core scheme in the member boroughs and provide the basis for the development of a London wide scheme. Funding of £0.5 to £1M was sought from the GLC to run the trust for 4 years. But the GLC did not fund the trust. In the last years of the GLC existence a variety of initiatives and policy teams were competing for funds to keep them in existence after abolition and although funding was available there was a shortage of skills to set up

⁴¹ GLC 1985f

⁴² GLC 1986c

⁴³ GLC 1986c

⁴⁴ GLC 1985q

institutional structures that would protect the money from the London Residuary Body. In this malaise of competing options and bids CHP became caught in the Government's financial embargo on future funding and the Trust proposal had to be dropped. But it was considered important that the information and conclusions set out in the consultant's summaries, institutional study and Peoples Plan received the widest possible circulation and publicity⁴⁵. In March the JAC published "Combined Heat and Power for London"⁴⁶ and the "Peoples Plan for CHP"⁴⁷ to popularise the consultant's findings and set the context for further work on CHP. The Council argued that "one of the sad consequences of the abolition of the GLC is the danger that the excellent initiatives taken by the Council in conjunction with the two London Boroughs will be curtailed"⁴⁸. Without a single organisation to continue the work progress on the development of the core schemes largely came to an end as the boroughs were unable to fund the staff and establish the necessary administrative structures.

CHP/DH - An Alternative Energy Strategy for London: 1982-86

From 1982 energy issues were included in the work of the Economic Planning Group developing alternative employment and economic policies for London. The 1981 GLC Labour Party manifesto had contained a series of policies and proposals for interventionist industrial and employment initiatives. But energy initiatives were not included in these proposals. The inclusion of energy as an issue was largely through the intervention of South London SERA and the subsequent employment of a SERA activist to work on energy issues in the Economic Policy Group. Energy was included in industrial plans as

"a sector which lends itself especially well to involving workers and users in plans to create jobs to meet social needs. It is also a sector where the public sector, including the GLC and local boroughs, have some powers to implement these plans. Energy is a sector where there is acute social need as a result of the heating problems of those with low incomes. It is also a sector which could make use of the skills and energies of thousands of London's unemployed. There are clear opportunities for winning support for an approach to the energy sector based on matching unmet needs with these wasted resources"⁴⁹.

CHP/DH was closely linked to employment creation proposals for a number of specific reasons. These were the

- *- energy conservation potential;
- potential to offer for the future the most cost effective form of heating for urban consumers, whilst at the same time offering a rate of return on investment equivalent to that required from other utility operations;

⁴⁵ GLC 1986b

⁴⁶ JAC 1986

⁴⁷ GLC 1986f

⁴⁸ GLC 1986g

⁴⁹ GLC 1983b

As the GLC were offering to provide administrative support and finance for the studies the Council accepted the report's recommendations that the borough join the Joint Advisory Committee (JAC) and in conjunction with the LB Tower Hamlets support the GLC in the promotion and development of CHP in London.

The LB Tower Hamlets was not closely involved in the JAC proposals. Although, in response to pressure from the GLC and the LB Southwark the Labour Council did agree to support the CHP proposals the Council had minimal involvement in the JAC. No individual councillor led on the issue and councillors very often failed to attend JAC meetings³². The LB Tower Hamlets was controlled by a right-wing Labour group with a very small majority after Labour defections to the SDP. CHP was not considered to be an important priority with the difficulties of maintaining control of the council in the face of a strong Liberal challenge. Several officers were interested in the project but they were often unable to find time or resources to support the JAC and consultant's work and the Borough simply let the GLC lead on the issue. In 1986 the Labour group lost control of the Council to the Liberals. Given the low level of involvement and absence of any attempt to form a linkage with the national Labour Party over the issue LB Tower Hamlets is not considered in further detail.

Both the GLC and LB Southwark authorised officers form a consortium to bid for Government Lead City funding³³. The GLC felt forced to accept some form of private sector involvement in the consortium as the price of Government funding but the LB Southwark could not accept this, arguing that CHP schemes "needed to be in the hands of democratically elected bodies". A compromise solution was worked out which recognised that the proposed scheme would have to be attractive to the private sector but, within the company structure responsibility for the heating services would remain under control of the local authorities. But it was not clear how this objective was to be achieved. The consortium submission was made to the DEn in July 1984. The consortium met to consider formulating a work plan but the DEn announced in 1985 that Belfast, Edinburgh and Leicester were to receive grant aid. The consortium did not continue to meet, the private sector members withdrew and the GLC focused on its own core scheme studies.

Joint Advisory Committee for CHP: Core Scheme Studies

The JAC was established by the three authorities to "develop proposals for CHP scheme(s) initially in the London Boroughs of Southwark and Tower Hamlets that can be implemented by the authorities jointly"³⁴. Consultants were commissioned to carry out in depth feasibility

³² *Joint Advisory Committee Minutes 1984-86*

³³ *GLC 1984f*

³⁴ *GLC 1984f*

of the core schemes. The study was funded by the GLC and developed into three sections. First, W.S Atkins and Orchard Partners were commissioned to carry out engineering and financial studies to develop proposals to a comprehensive sketch scheme which could be used as a starting point for raising finance and detailed development³⁵.

Second, institutional studies were made by the GLC. The JAC wanted to develop an institutional structure for CHP that would ensure a degree of consumer participation in decisions about the scheme and provide financial investment. Six institutional options were investigated and the JAC recommended that the consultants consider three possible scenarios³⁶. First, a totally local authority controlled scheme with the main advantages being that local authorities have powers to sell heat to public and private consumers and that the scheme would be totally locally controlled. The second option was for an organisation involving the private sector, such as a joint venture company, in which the local authority controls the development and supply of heat to tenants and the private sector receives a return on the investment. The final option was the private contractor approach in which the private sector developed the scheme, the local authority being just one of many potential consumers whose interests are only protected through supply contracts. The Popular Planning Unit did not agree with any of these options. Their meetings with tenants "revealed interests which do not wholly concur with the institutional options currently being considered"³⁷. Tenants were concerned that if a private sector company operated the service local requirements would be abused by an organisation whose interests lay outside the locality whereas a cooperative could fulfil the need for a locally responsive organisation³⁸. But the idea was not supported by the JAC as it was considered an unrealistic option with little possibility of being funded and the public-private partnership emerged as the preferred option.

Finally, the development of the "People's Plan for CHP". The JAC recognised that a consultation exercise with the potential consumers of CHP would be needed to build support for CHP³⁹. The Popular Planning Unit formulated proposals for the preparation of a film, publicity material and a consultation exercise with tenants on CHP. The plan attempted to increase awareness of CHP amongst groups outside the specialist energy lobbies including, council tenants, public and private sector managers who would benefit from the cheaper heating costs and trade unions interested in the job creation potential of CHP⁴⁰. The need

³⁵ GLC 1985e

³⁶ GLC 1985p

³⁷ Internal Memo

³⁸ Internal Memo

³⁹ GLC 1984p

⁴⁰ GLC 1985l

- ability to displace premium fuels with coal and low grade fuels including waste;
- ability to reduce atmospheric pollution;
- potential contribution towards reducing dependence and the rate of depletion of North Sea Gas, whilst providing an efficient method of utilisation for the very much greater UK coal reserves;
- the alleviation of 'fuel poverty' caused by the high price of existing fuels;
- employment potential, both in the construction and engineering industries, and within inner urban areas where high density heat loads are concentrated⁵⁰.

The IEC recognised that the development of the full employment potential and other social benefits of CHP requires "significant shifts in resource allocation at borough, London and national levels". Consequently the Council's strategy in employment and energy fields "must also address the shortcomings of national energy policy"⁵¹. In order to achieve these changes it would be necessary "to increase popular understanding of the potential benefits and popular support for the adoption of alternative strategies". Consequently the council attempted to gain support from tenants, voluntary sector and trade unions for CHP. The GLC was involved in six initiatives to promote and develop CHP as part of an alternative energy strategy linked to employment creation and economic development.

The first initiative was the important role played by CHP/DH in the GLC's evidence to the Sizewell 'B' PWR nuclear power station public inquiry from 1983-85. The GLC's objection to Sizewell became a highly important political issue during 1983-85 but the decision to mount a full set of evidence was not made until relatively close to the Inquiry's start. In August 1982 the Labour Group decided to submit a full set of evidence on the effect on London of any releases of radioactive material in the event of an accident at Sizewell, the effect of the increase in the traffic of irradiated fuel rods from Sizewell through London and the effect the proposals might have on London's economy ⁵². Responsibility for the preparation of evidence was divided between IEC and the Scientific Branch, the former were responsible for economics and the latter for the safety case. The Council appeared at the Inquiry to

"draw attention to the potential risks to public safety in Greater London involved in the development of Sizewell 'B' and to propose an alternative energy strategy which would at once avoid danger to the public, create opportunities for employment and promote the economic well being of Greater London and other authorities"⁵³.

A press release stated that "the GLC's evidence will be local government's most significant contribution to the inquiry. Our concern is London and Londoners; this power station should not be built"⁵⁴. The Council wanted to produce a strong case against Sizewell B with a

⁵⁰ GLC 1983f

⁵¹ GLC 1983g

⁵² GLC 1982c p2

⁵³ GLC 1983a

⁵⁴ GLC 1983c p2

strong London dimension and related to wider political objectives⁵⁵. The discussions over the Atkins report and the development of a London CHP/DH scheme satisfied these criteria and Orchards Partners were commissioned "to consider whether a major CHP/DH scheme for London could be evaluated on the same basis as the proposed power station, and if so, whether it would produce similar benefits for the electricity supply industry"⁵⁶. Orchards produced a series of reports on which the GLC's evidence was based. The scheme proposed would be started in 1985 and completed with a heat load of 2895 MWH from 6 CHP sets at Barking. The scheme was 3 times the size of that envisaged in Atkins stage 1 and would cover Newham, Tower Hamlets, Hackney, Hammersmith and Kensington, plus parts of Southwark, Lambeth and Wandsworth. The report concluded that coal fired CHP/DH would be capable of

- benefiting electricity consumers to the same extent as a nuclear power station
- making a real return of 5% p.a. on its district heating operation
- providing heat to its customers at 20% less than the heating fuel bills which they would otherwise have incurred⁵⁷.

The GLC evidence showed that nationally the CHP/energy conservation option proposed for London would support 5,100 more jobs than Sizewell B in 1988, (4,700 in London) and 28,000 more in 2007. The GLC argued that on these grounds the CEGB should direct its resources to the development of CHP/DH rather than towards a PWR. The debate at the Inquiry centred on a series of issues, diversification of fuels, scale and rates of development, precision of CHP/DH proposals, generation for base load operation and whether or not the PWR and CHP/DH were alternatives. There was no definite resolution to many these issues. The CHP proposals were criticised by the CEGB on the ground that the institutional structures were not in place to implement the scheme. The GLC's case was significant in that it was the first direct and detailed proposal of CHP as an alternative to the CEGB's generating strategy in a public arena and it significantly raised the profile of CHP.

The second initiative was the London Energy and Employment Network (LEEN) one of five technology networks set up by GLEB in 1983. The Technets were the main technology policy initiative of GLEB and were based on many of the ideas developed in the Lucas initiative from the mid 1970s. Central to this was the concept of socially-useful production, bringing together the skills of the unemployed and trade unions with the technical expertise of universities and polytechnics to develop new products. However, the emphasis of LEEN's work moved away from new product development as the main problem was the

⁵⁵ *Hutchinson Interview 1987*

⁵⁶ *GLC 1984b*

⁵⁷ *GLC 1984b*

failure to invest in and implement existing technologies. Consequently, LEEN developed an approach based on promoting the idea of energy efficiency in the domestic sector by providing support and assistance to local authorities, tenant groups and trade unions. CHP/DH was an issue in a number of initiatives but it was only included as part of LEEN's wider policy development and promotional objectives. There was no attempt to develop a scheme as other groups were considering those issues⁵⁸. LEEN sought to avoid conflicts with other areas of the GLC's work on energy issues and sought to ensure that they worked closely together particularly with the PPU rather than duplicating existing work. But after abolition of the GLC in 1986 LEEN played a more important role in the development of CHP.

The third initiative was the development of Local Energy Plans focused on domestic heating problems in the public sector. Fuel poverty was extreme in council housing and the authorities had some powers to implement tenants' and workers' plans. Officers had discussions with several local heating campaigns bringing together tenant groups and trade unions which indicated a considerable level of activity around heating issues and in several areas these groups worked with local boroughs to produce exemplary local plans for jobs from warmth. The plans involved tenants, trade unionists and the unemployed working with LEEN and local authorities identifying their heating needs and potential solutions. This form of popular planning was seen as

"planning from below - planning that is based on people coming together in their work place and community organisations to formulate their own demands and wishes for the future...campaigns on better heating on council estates are the first stages. The second stage is the formulation of alternatives and the fight to put them into practice"⁵⁹.

The aim was to have a London wide impact and provide an important contribution to the industrial strategy and to "implement some of the ideas in these plans to show what could be done if the resources were available nationally. These projects would then be the basis for creating pressure for the implementation of the plan as a whole"⁶⁰. The GLC funded three workers for the development of energy plans in the London Boroughs of Lewisham and Islington. They provided a technical and organisational resource for local tenant groups to examine how existing local resources could more effectively meet social need and what could be done at local level if "national priorities were changed and investment in energy conservation increased".

The fourth initiative was the support given by the GLC and LB Southwark to the NUM national strike between 1984 and 1985. During the latter part of 1984 Councillor Geddes

⁵⁸ Parsons Interview 1987

⁵⁹ GLC 1983d

⁶⁰ GLC 1983b p10

from the LB Southwark met with Councillor Ward the Chair of the GLC Industry and Employment Committee to discuss the possibility of linking the Councils' interests in CHP/DH and local energy policy with the miners strike. The LB Southwark had made links with the Kent Branch of the NUM and both authorities had strongly supported the concept of coal-fired CHP/DH. Southwark investigated the potential for using coal from the coalfield for fuelling CHP/DH and research was commissioned, funded by the GLC, to investigate how coal from peripheral coalfields such as Kent, South Wales and Scotland with its smaller ash and sulphur content could be used to lower pollution levels in a Southwark CHP/DH scheme. Ken Livingstone argued in the *Guardian*:

"For the NUM the defence of their jobs is paramount, as there are no alternative sources of employment in the areas threatened by pit closures. But their struggle is not the sectional, narrowly trade union strike which the government like to claim. Their view of the central role which coal can play in providing cheap heat and electricity accords well with the policies of most major local authorities, who seek to protect the living standards of their citizens and efficiency of their local industries. Nothing illustrates this better than the contrast between the relative costs of and benefits of the Government's nuclear power programme and the coal fired combined heat and power systems promoted by the main city authorities"⁶¹.

The authorities sought to establish a link between their promotion of coal fired CHP, the miners strike and the Government's promotion of the nuclear power, attack on the mining unions and failure to provide the resources to development of CHP/DH. Although this campaign had relatively little direct impact it helped to gain more support for CHP/DH from Labour groups, put CHP/DH on the agenda in the NUM more generally raised the profile of CHP/DH.

The fifth initiative was the development of an "Alternative Energy Strategy for London" that had an important role in the sector plans forming the basis of the London Industrial Strategy published in 1985. This brought together much of the work mentioned above into one policy statement on energy. The energy sector was included because it

- lends itself especially well to involving workers and users in plans to create jobs to meet social needs.
- is a sector where the public sector including the GLC and London Boroughs have some powers to implement energy plans.
- is a sector where there is acute social need as a result of the heating problems of those on low incomes.
- is a sector which could make use of the skills and energies of thousands of Londons unemployed.

A strategy of CHP/DH and energy conservation had the potential for substantial employment creation with "clear opportunities for winning support for an approach to the energy sector based on matching these unmet social needs with these wasted resources"⁶².

⁶¹ *Livingstone 1985 p9*

⁶² *GLC 1983b p1*

The GLC attempted to develop a strategy in which wider community groups and trade unions could contribute to the formulation and promotion of an alternative energy strategy. However, from the outset it was recognised that the "full development of the employment potential and other social benefits of an energy policy based on conservation, CHP and alternative technologies requires not only planning but also significant shifts in resource allocation at borough, London and national levels"⁶³. The GLC argued that such changes would depend on wider understanding of the potential social benefits and popular support for the adoption of alternative strategies based on the involvement of workers in energy related industries and community groups. CHP/DH entered the industrial strategy in several contexts, previous GLC support for CHP/DH, evidence to the Sizewell Inquiry and the Council's activities on the Atkins Report and core scheme proposals. While other departments in the GLC examined the technical and engineering issues the IEC's role in these attempts to develop the technology focused on social and economic issues. This included consumer participation in the design and control of potential schemes, maximising local benefits of CHP, trying to develop a local demand for the technology and creating pressure for a change in Government policy. The Peoples Plan for CHP used the approach and many of the ideas developed in the local energy plan exercise. The London Industrial Strategy contained the following policy on CHP/DH

"The GLC will use its powers and resources to promote and support the development of CHP/DH schemes in London, under public control. This will include:

(a) continuing to play a major role in the consortium to develop CHP/DH initially serving Southwark and Tower Hamlets and encouraging other London boroughs to join this process and promote CHP schemes in their areas;

(b) ensuring public consultation and involvement by potential consumers in the development of CHP/DH schemes;

(c) campaigning with other local councils and interested groups for a more substantial commitment from central Government to the development of CHP/DH;

(d) using the GLDP and other planning powers to safeguard land for CHP/DH, and influencing the design of new public buildings (such as schools and hospitals) to ensure that opportunities for CHP/DH plants are incorporated where appropriate;

(e) provided research and resources to assist the development of small scale CHP/DH plants to service existing buildings"⁶⁴.

Finally, the GLC was the strategic planning authority for Greater London responsible for producing the Greater London Development Plan (GLDP) which laid down the main policies for housing, population, employment, transportation, and environmental matters. The approved GLDP was adopted in 1976 and contained only passing reference to energy issues referring to the need to identify sites for new power stations and sub-stations in the

⁶³ GLC 1983b p2

⁶⁴ GLC 1986h

region⁶⁵. Revision of the GLDP began in the early 1980s and included many new subjects that the council considered relevant to London's landuse. The revised plan published in 1984 contained a whole chapter devoted to energy supply and demand in Greater London. The Council's objectives for energy policies were

"To promote a comprehensive, secure and efficient system of energy supply, having regard to long term opportunities and constraints and to the wider social and economic benefits of alternative energy policies.

To promote the efficient use of energy and appropriate use of fuels having regard to their intrinsic qualities.

To combat pollution and ensure the long term protection and improvement of the environment.

To ensure the safety of Londoners from the risks associated with the supply and use of energy.

To ensure that London is not dependent on one energy source and that a reasonable mix of energy sources is available"⁶⁶.

The Energy Chapter contained policies on nuclear power, energy from waste, gas supply, renewable energy, energy conservation, environmental considerations and CHP/DH. Policy ENG 1 stated that "the implementation of CHP for industry or commerce, or CHP schemes with DH, to generate electricity and meet the demand for space heating in those areas of Greater London where the relevant social economic and technical criteria are satisfied, will be favoured"⁶⁷. This policy of a presumption in favour of CHP/DH was supported by two additional policies. First, that when boroughs considered the future use of power station sites they should "have regard to the desirability of safeguarding these sites for use in the connection with the development of CHP/DH schemes". Second, all plans should safeguard or enhance facilities for the "transportation, handling and storage of coal, particularly associated with the development of CHP/DH schemes". The CHP/DH high density heat load area defined in the plan was the large scheme for London proposed in the Atkins report and included in the development plan as part of the general work on energy policy. But in the consultations on the draft plan the CEGB objected strongly to the inclusion of CHP/DH on the grounds that, the economic case for CHP/DH was poor, CHP/DH was not yet proved cheaper, sites for CHP/DH should not be safeguarded and that the Council should recognise that other authorities have responsibility for energy supply⁶⁸. Minor changes were made to the wording of the plan's policies but the plan was not taken to a Public Inquiry as the revisions became caught up in the abolition proposals and the Secretary of State refused to adopt the revised plan.

⁶⁵ GLC 1976a

⁶⁶ GLC 1984h p137-8

⁶⁷ GLC 1984h p138

⁶⁸ GLC 1984e

Abolition and Fragmentation of CHP/DH Proposals :1986 - 1987

After the abolition of the GLC in April 1986 significant development work on a CHP/DH scheme for London came to an end. The proposal to establish the London Community Heating Trust Limited to take forward the work on CHP had failed. There was an attempt to continue work on the alternative energy strategy for London in a number of institutions. But none of these organisations had a specific remit to develop CHP/DH. It was an issue that arose in the development of more general policy priorities and they did not have the necessary resources or expertise to continue the type of development work that was required to implement a scheme.

LEEN continued its development role by maintaining links with local authorities and suggesting that they bring forward proposals to develop CHP. Work developed in LEEN at a number of levels. LEEN was particularly interested in the problems of DH for which solutions needed to be developed if CHP was to be implemented on any significant scale. Consequently a small seminar was held bringing experts together to discuss the problems and solutions. This resulted in the publication of "District Heating: Tackling the Problems" and was prompted with help from the CHPA as part of LEEN's promotional and policy development activity aimed at local authorities⁶⁹. This is an issue which has been taken up by the Association of Metropolitan Authorities (AMA). They commissioned LEEN to edit a good practice guide for local authority district heating schemes (see chapter 8). In 1986 LEEN published "Policies for Warmth: Guidelines for Local Authorities" which sets out a series of initiatives which local authorities could take to tackle fuel poverty, including suggestions to develop CHP. The "London Energy Action Plan" (LEAP) was published in 1986 and attempted to formulate an energy efficiency strategy for London based on action in the domestic sector⁷⁰. The plan examined how investment in CHP would result in increased levels of comfort and employment. This work was based on the Orchards study commissioned for the Sizewell B Inquiry. These last two policy documents were produced within the framework of the Charter for Energy Efficiency, a group of trade unions, local authorities and voluntary groups who argued for a national energy efficiency programme including the widespread development of CHP. From 1986 LEEN played an important role in coordinating this group's activities which was orientated toward developing national and regional energy policies for opposition parties before the next election. (These activities are considered in detail in chapter 8). LEEN's existence was caught up in a series of policy changes in the GLEB following abolition and LEEN received none of its grant from GLEB in

⁶⁹ LEEN 1985

⁷⁰ LEEN 1986b

1987 resulting in the Network's closure. LEEN's coordinating role was lost and promotional work on CHP/DH came to an end⁷¹.

The London Strategic Policy Unit (LSPU) was set up following abolition to carry on the GLC's Popular Planning work in the planning and economic policy areas. An Energy Team was established in the Planning Policy Group comprising some of the GLC officers who worked on popular energy issues. CHP/DH entered into the Unit's policy promotion and advice work in two specific energy issues. The first was LSPU's response to the Chernobyl disaster in the USSR when two briefing meetings were held in September 1986 with councillors and officers of their member authorities to discuss local alternatives to nuclear power. Local authorities were asked to investigate the possibility of developing CHP core schemes in their areas to "take forward the work that has already been done by LEEN and the LEAP"⁷². But the LSPU did not have the expertise or resources to undertake detailed development work could only point the London Boroughs towards the great deal of practical work that had already been done. The second area of activity that included CHP was LSPU's response to the Layfield report. The Sizewell 'B' Inquiry ran from January 1983 until March 1985 but the Inquiry report was not published until January 1987 some months after the GLC's abolition. The LSPU commissioned a briefing paper on the report for the member authorities. The report presents a critique of the Inspector's report which "failed to address the central problem of legal, financial and institutional impediments to the development of CHP in the UK". The Inspector concluded that CHP was not a "feasible alternative to Sizewell B on cost-saving grounds" because it was "not likely to be developed in sufficient time". At the start of 1988 the Unit had effectively ceased working due to funding problems and with it any possibility of continuing the GLC's popular planning work on energy and CHP.

The London Research Centre (LRC) was set up by London Boroughs to provide information and carry out research projects on issues affecting London. The Planning Studies section, headed by the officer who led on energy and CHP issues in the department of Transportation and Development in the GLC, carried out work on energy issues. But this was at relatively low level, being restricted to the attendance at the NCHPLG and Core Cities Coordination Group to ensure some sort of continuity and informing London Boroughs of work in other cities⁷⁵. The centre has neither the staff nor resources to take the core scheme studies any further towards implementation.

⁷¹ *Parsons Interview 1987*

⁷² *LSPU 1987a*

⁷³ *LSPU 1987b*

⁷⁴ *LSPU 1987b p17*

⁷⁵ *Hutchinson Interview 1987*

After abolition the London Waste Regulatory Authority (LWRA) was established to coordinate seven groups of London Boroughs to take over the GLCs waste disposal operations. In early 1986 the South East London Waste Disposal Group (SELWDG), comprising the London Boroughs of Greenwich, Lewisham and Southwark asked LWRA to prepare a feasibility study to prepare a waste disposal strategy upto the end of the century. Consultants concluded that the two cheapest methods of disposal were CHP designed for electricity export, and CHP/DH producing electricity and heat for large nearby DH schemes⁷⁶. The main interest in CHP has focused on providing the lowest cost option for disposal of refuse rather than developing a strategy for CHP in London. However, the proposals have been delayed due to financing problems.

Finally, work on CHP did continue in some of the London Boroughs. In LB Southwark Councillor Geddes did try to continue interest in the technology and July 1986 recommended to the Labour Group that the Borough should "continue its local programme of consultation and discussion with tenants and trade unions, including the Kent NUM branch, on the implementation of CHP in Southwark and adjacent boroughs and to this end produce briefing documents and arrange discussion meetings for members, tenants and trade unions"⁷⁷. A number of other boroughs have individually taken initiatives to investigate the feasibility of CHP. This includes the London Boroughs of Camden and Waltham Forest⁷⁸. Camden has examined the potential of either micro CHP or a larger incinerator plant for which neighbouring boroughs are interested in providing refuse.

LOCAL-NATIONAL LABOUR PARTY INTERFACE AND CHP/DH

The linkages between London's Labour local authorities and the national Labour Party over the issue of CHP/DH are not well developed when compared to the other two case studies. There were linkages through the NCHPLG and direct contacts with the shadow Energy Spokesman. The following analysis situates both the structures and objectives of the interface firmly in three specific phases of CHP/DH development in London.

Phases of Local - National Linkage

In the first period between 1977-81 the Labour Party was in Government until 1979 and responsible for initiating the Marshall Report which recommended establishing the Lead City CHP programme until their replacement by the Conservatives in 1979. Within the GLC and LB Southwark energy policy generated relatively little interest amongst Labour and

⁷⁶ LWRA 1986 p12

⁷⁷ Southwark LBC 1986

⁷⁸ Hutchinson Interview 1987

Conservative councillors, was not an important party political issue and the officers action on CHP received all party support. Policy on CHP/DH was developed by a number of professional engineering and planning officers in the TD and DMEE departments who supported the technology for a variety of overlapping reasons including interest in the development of municipal engineering technologies, an alternative professional critique of the CEGB's policy of constantly increasing the scale of power stations and critiques of government energy policy. The Conservative controlled GLC was actively pursuing the development of CHP/DH in Greater London in a variety of arenas, as an alternative to the construction of large new power stations on pollution and amenity grounds, cooperating in the production of Energy Papers 34 and 35, energy recovery from waste and encouraging Government to initiate the Lead City programme. In addition the Council's comments on the 1978 Energy Policy Green Paper proposed measures for the decentralisation of energy issues. The central response to calls for CHP/DH was: wait for Marshall.

The only evidence for a local-national Labour Party linkage during this period was GLC Councillor Hart's membership, between 1977-82, of the NEC Energy Sub-Committee which developed Labour Party policy for CHP. Hart was the Labour councillor who led on CHP in the second phase of development but in this earlier phase he prepared papers on CHP for the Labour Party Energy Committee and supported David Baillie's policy paper which was subsequently adopted at the 1982 conference as Labour's policy for CHP (see chapters 5 and 9). In 1979 the Conservatives were elected to central government and initiated the Lead City programme. Officers in the GLC and the LB Southwark cooperated with the DEN in the production of the Atkins report by liaising with Labour controlled London Boroughs and the DEN to produce proposals for a London CHP/DH scheme.

There is no evidence of a linkage between the Labour controlled Southwark, or any other boroughs and the national party over CHP. After the 1979 election and the Conservative launch of the Atkins studies officers developing the strategy on CHP/DH positively avoided the introduction of party political issues into the debate. For instance, the LB Southwark resisted attempts to work with other Labour controlled local authorities through the NCHPLG. The Council wanted to avoid any suggestion that the Council was critical of the DEN programme as such action might prejudice the Council's selection as a Lead City (see chapter 8). Consequently Southwark did not develop linkages with other Labour local authorities or the national Labour Party in this period.

In the second phase between 1981-86 the local-national interface was much more significant in both authorities after Conservative control of the GLC was replaced by a Labour administration in 1981. The issue of CHP/DH was taken up by Councillor Hart and

given a much greater political role in the Council's interventionist economic policies. Work on CHP/DH was intensified and a number of linkages developed with the national Labour Party in response to particular problems and issues in the technology's development. In the LB Southwark a right-wing Labour group was replaced by a new left Labour Council in the local elections of 1982. The Deputy Leader took an interest in CHP and the officer-led approach was replaced by a greater degree of Labour Party control over the strategy. Nevertheless, it was not a significant local political issue as the new Council's priorities focused on housing and community development policy. These wider political changes assisted in the development of a joint approach to CHP/DH between the GLC and LB Southwark.

Both Councils developed an interface with the national party for three objectives. First, assessing the technology, developing local expertise and building up a wide base of support for the technology at local and national levels. Second, seeking support, guidance and assistance from the national party to overcome national constraints to the local development of CHP/DH. The main mechanism for developing general support for the technology at a national level was joint local authority pressure through the National CHP Liaison Group. (This is considered in chapter 8). Finally, to develop national policies that would provide a framework within which local authorities could implement CHP/DH.

However, there were a number of direct linkages with the national party. First, the GLC attempted to form links with local MPs over the issue of CHP. In the early 1980s this was not particularly successful. A number of London Labour MPs were considering joining the SDP and were extremely critical of the GLC. Ron Brown MP Chair of the London Group of MPs soured relations, spread rumours and claimed that he "invited" Livingstone to speak to the group and criticised him when he "failed" to attend. Apparently Livingstone did not receive any invitations. In 1984 the London Group of MPs elected three MPs (Frank Dobson, Nigel Spearing and Jock Stallard) to liaise with the GLC. They "took a more enlightened approach to what we were doing and the relationships immediately began to improve"⁷⁹. Although Spearing asked questions about the Government's policy on CHP in Parliament for the GLC, no Labour MP vigorously took up the issue of CHP/DH in London despite approaches to the London Group at various times by the GLC⁸⁰.

Second, the Popular Planning Unit and LEEN attempted to form linkages with trade unions by attempting to create a "Jobs from Warmth" campaign in London based the Newcastle CHP initiative. In practice these links were difficult to develop. At a regional level South

⁷⁹ *Livingstone p244*

⁸⁰ *Hutchinson Interview 1987*

East Region TUC (SERTUC) did not represent employees involved in power engineering industries and consequently it was difficult to form links between a London CHP scheme and job creation in this sector. However, close relations were established with the Kent NUM by Southwark and the GLC over investigating the potential for using Kent coal in CHP plants. In general it was difficult to gain clear support from SERTUC due to conflicts between trade unions over nuclear power. At the local level there was some interest from NALGO who saw the clear links between CHP and improving living conditions and job creation⁸¹. Consequently, in comparison with Newcastle it was difficult to form linkages with trade unions as the power engineering industry was not represented in London and local trade unions were fighting immediate jobs losses rather than undertaking longer term campaigns.

Third, linkages with the Labour Party Shadow Energy Spokesmen. In November 1982 central Government introduced the Energy Bill as a measure to allow private sector participation in the nationalised electricity supply industry to encourage competition and reduce a public sector monopoly. The Bill included clauses to

- allow private generators to use the public transmission and distribution system to transmit electricity;
- oblige Electricity Boards to offer to buy electricity from private generators and to supply them and their customers;
- allow companies to supply electricity as a main business;
- and oblige Electricity Boards to publish tariffs for the purchase of electricity from private producers.

Following Hart's May 1982 paper on CHP/DH to the Labour group, officers were instructed to discuss with the DEn the impending legislation relaxing the monopoly role of the CEGB in the generation of electricity. As "it is important that local authorities are not put at any disadvantage in relation to the private sector by new legislation"⁸². The GLC was directly interested in the legislation as it was the largest private generator of electricity at the Edmonton Incinerator and London Underground generated electricity for its own use. At this stage the main interest was the potential development in CHP/DH which "may lead to an increasing involvement by the Council in the generation of electricity and appropriate changes in the law could potentially benefit the Council". However, by December 1982 it was clear that the Bill did not contain any provisions to enable local authorities to be treated in the same manner as other private producers of electricity. Officers were authorised to seek amendments to the Bill to allow "the same facilities as respects freedom to produce and sell electricity as applied under the Bill to private supplies and ensuring that the tariffs

⁸¹ Macintosh & Wainwright 1987 p212

⁸² GLC 1982b

published by private suppliers and by electricity boards are readily understandable by potential consumers". These were drafted and sent to John Smith MP, Labour Shadow Energy Spokesman, who tabled both amendments to the Bill. Smith argued

"that developments under consideration respecting CHP/DH could lead to increasing involvement by local authorities, and the opportunity presented by the Bill should be taken to free them from statutory restrictions concerning the production and disposal of electricity in order that local authorities might be in a position to play a positive role in future developments."

The Government argued that it was not the purpose of the Bill to alter the powers of local authorities and it was wrong to extend the use of the Board's transmission and distribution system to local authorities. However they would consider whether local authorities could benefit from the provision on tariffs. The amendments were withdrawn and after passing the Bill in the Commons the amendments sent to Labour Lords. The amendments were tabled and moved by Lord Strabolgi and supported by Lord Ezra who was Chairman of the Sheffield consortium and working closely with local authorities in the development of CHP. Again the government refused to allow local authority access to the Board's distribution system but undertook to reconsider the tariff issue. The amendments were withdrawn. Under a government amendment the provisions concerning the price to be paid by a Board when purchasing from a private generator were to also apply to purchases from local authorities. The Act came into force during May 1983.

Fourth, seeking national guidance on the local CHP development strategy. The London core scheme proposals were prepared between 1985-86 with the expectation of support from a future Labour government. Both Councils were aware of the national party's policy of support for CHP and their own proposals were to some extent seen as part of this policy. This national policy was used as a justification for Southwark's continued support of the technology. Consequently, after the NCHPLG meetings with MPs and the Labour Party in 1984 (see chapter 8) Councillors Geddes and Hart arranged a meeting with Stan Orme, Shadow Energy Spokesman, to seek guidance

"on a number of political and presentational matters connected with CHP... The sort of questions we would explore with you:

- is the stance a Labour authority might take in relation to the obvious privatisation elements in the Government's proposal,
- whether we should go ahead with CHP on our terms, eg combining with the CEGB, using engineering firms as consultants, rather than operators and "owners";
- the need for a Labour Party pro-CHP Campaign, linking it with "other" heat sources like burning collected domestic - commercial waste and geothermal (with both of which we in the GLC have some track record);
- the role of the Borough as representing the "entrapped" consumer;
- and how to improve the distinctly bad image which some DH schemes retain and so on.

it is important that those of us who are pushing CHP do so within an agreed and understood Labour Party philosophy. If we get it right, the whole thing can be a significant part of our programme; if we are seen to wander into the Tory jungle while pursuing the anticipated advantages of CHP, we would be decidedly ridiculed⁸³.

This was not a very useful meeting for the local authorities. Orme was very reluctant to support the pro-CHP elements in parliament and it was an issue which in London he certainly did not want to push⁸⁴. However Orme was not in a position to be able to deliver tangible support. Although the party had a policy supporting CHP/DH they did not have the staff resources or expertise to draw up detailed policies including the necessary changes in legislation. As the GLC had the finance to develop the core scheme proposals both authorities developed this work with

"the perspective of a change of government and we felt it was extremely important that we were there with as much of the groundwork done as possible so that we would be in a position to lobby a future Labour government to fund a core scheme"⁸⁵.

Neither Council expected to receive support for the consortium proposal from a Conservative central Government. In the core scheme proposals Hart and Geddes were concerned to keep the options open regarding finance, ownership and control to leave themselves open to negotiate with a future Labour government on the schemes. For instance they did not expect to receive an entirely 100% Labour government funded scheme and were keen to keep open the option of private sector involvement.

Finally, during this period CHP/DH was also linked to a wider range of policy issues around the development of an Alternative Energy Strategy for London, this included the miner's strike and coal, nuclear power and employment. These issues were taken up by the GLC's Industry and Employment Committee who argued that the initiatives could only be developed with national government support. The GLC's alternative energy policies represented

"a challenge to the hegemony of the fuel industries and central government in determining national energy policy. This challenge, however implicitly, attempts to reverse the trend of centralisation of energy policy that has existed since 1947"⁸⁶.

"The adoption of an approach similar to that of the GLC would be tantamount to an energy policy formulated from the bottom-up. Such a role would provide local authorities with a strategic role in energy issue - a role that is not presently available to them nor currently envisaged by central government"⁸⁷.

⁸³ Letter Hart to Orme 22nd November 1984

⁸⁴ Geddes Interview 1987

⁸⁵ Geddes Interview 1987

⁸⁶ Sheldrick and Cooper 1987 p211

⁸⁷ Sheldrick and Cooper 1987 p211

However, there was no attempt to develop direct linkages with the national party over these issues. For instance Livingstone argued that "I don't separate the Labour Party from local government. Everything we are doing relates to both"⁸⁸. The GLC strategy was based on a critique of both Conservative energy policy and the previous centralist approach of the Labour Party. The GLC's aim was to develop and demonstrate alternatives that could be adopted by a future Labour government. The implementation of these policies would require the election of a Labour government but "work on how to proceed as and when we win just isn't being done nationally and that's part of the weakness"⁸⁹.

In the third phase, the abolition of the GLC in 1986, work on developing a CHP scheme for London came to an end. However, there were attempts to form a linkage with the national party over CHP/DH from the work which developed out of the alternative energy strategy. The CHP/DH issue was significant in two ways. First, in its relationship to job creation. The former GLC Councillor Michael Ward who chaired the IEC became Director of CLES, promoted local jobs plans and was involved with the Prescott group of MPs. Although it was clearly too late for the GLC to prepare a jobs plan, many of the ideas in the London Industrial Strategy were promoted by Ward in CLES. The LB Southwark was directly involved in the production of a jobs plan, but unlike the Sheffield plan, this focused entirely on an expansion of local government services. The plan did not attempt to develop links with local economic policies or the development of CHP. This is a reflection of the officer-led development of the plan and low importance of CHP at this time. The Borough was seeking immediate solutions to the problem of providing an acceptable level of local government services rather than attempting to develop CHP. Geddes attempted to include CHP in the plan and used the Labour Party's policy statements supporting CHP/DH as a part of a strategy for gaining local support for the technology amongst councillors in Southwark. For instance in a paper to the Labour group in July 1986 he noted that

"This year's Labour Party Conference is expected to agree policies on energy which, amongst other things, will commit a future Labour Government to give Local Authorities a more prominent role in the implementation of a Socialist energy strategy.

One key part of the strategy will be a more positive commitment to the local development of CHP generation, primarily coal based, in key national "Lead City Authorities". Southwark has long been recognised as one of several national locations, particularly suitable for CHP development."

Geddes was aware through contacts with energy researchers at the Labour Party HQ that the 1986 Labour Party conference was expected to adopt an energy policy giving a more prominent role to Labour local authorities. Geddes used this potential as a mechanism for trying to maintain support for CHP in Southwark because with the abolition of the GLC no

⁸⁸ Livingstone 1984 p271

⁸⁹ Livingstone 1984 p268

funds were available for further work. However it was clear that the national party did not have the time or the resources to draw up detailed policy proposals for CHP⁹⁰.

Second, LEEN provided an important focus for developing energy policy work and CHP until its demise in mid-1987. During 1986 LEEN worked on series of comprehensive energy policy statements often in conjunction with the Charter for Energy Efficiency which was an attempt to influence opposition party's energy policies in the period up to the 1987 election. The two most significant local documents were "Policies for Warmth" and the "London Energy Action Plan" (LEAP). These set out structured guidelines for developing a local energy policy including CHP. The LEAP developed the outline of an energy efficiency plan for London and called on political parties to

"ease the public expenditure constraints on local authorities to enable them to invest in cost-effective major heating and improvement schemes and in CHP schemes".

The plan was seen as a detailed regional policy prepared in the broad national objectives set out in the 1985 National Charter for Energy Efficiency. LEEN and other local authorities, including Sheffield and Newcastle, played an important role in the production of the charter which was used with other documents which drew on local authority activity around CHP to lobbying the Labour Party (see Chapter 8). Consequently after abolition more attempts were made to place the issue of local authority led CHP/DH on to national Labour Party energy policy.

LOCALISATION AND CHP/DH

Forms of Localisation

Although an interface exists between the local and national Labour Party over CHP the nature of the linkages outlined in the previous section need to be reconciled with the different forms of localisation discussed in Chapter 3. There are two forms of localisation in London promoted by two particular groups interested in CHP.

National Policy Formulation: CHP Group

The major localising impact of the CHP group was on the development of Labour Party strategy in Parliament. The GLC made an important contribution to the national party's position on the 1982 Energy Bill. This Bill was designed to introduce private sector competition into the electricity supply industry but failed to give local authorities the same access to the grid as private companies. This would have seriously inhibited local authority

⁹⁰ *Geddes Interview 1987*

development of CHP. The Labour Policy Committee instructed legal officers to prepare amendments to the Bill which were sent to the Shadow Labour Energy Spokesman, John Smith. The amendments were tabled in their entirety in both the Commons and Lords but were unsuccessful as the Government argued that it was not the purpose of the Bill to alter local authority powers. This type of intervention was a product of the GLC's strategic role in protecting the interests of local government not only in London but elsewhere. Although the GLC had commented on government legislation in the past, access was now more problematic given the poor relations between a Conservative government and Labour GLC and so the council used links with the Parliamentary Labour Party. The GLC amendments were readily taken up and used in their entirety by Smith who, due to time and resource constraints, was quite willing to use professionally produced local authority amendments.

One interesting feature of localisation in London was that local authorities sought guidance from the national party on the local development of CHP. In 1984, following a NCHPLG meeting with the PLP, Councillor's Hart and Geddes arranged to meet with Stan Orme to seek guidance on the local development of CHP within an overall "Labour Party philosophy". The possibility of implementing a scheme in London was looking much more concrete but the local authorities felt they were being forced to accept the Government's privatisation proposals by entering into partnership agreements with the private sector. At national level the party was totally opposed to any form of privatisation in the nationalised energy industries. Despite this apparent contradiction between local and national policy the meeting with Orme was not very productive. Orme was not in a position to produce any tangible benefits, he was reluctant to support pro-CHP elements in Parliament and did not want to push CHP in London. There was a distinctive absence of an 'understood' nationally agreed Labour Party philosophy to guide local action. The national party was not really able to deliver because of the lack of a clear policy framework and the lack of resources and expertise required to develop one.

Demonstration and Municipalisation: Popular Planners

The GLC's most significant contribution to localisation was the development of demonstration politics which both challenged central government and attempted to provide examples of policies that a future Labour government could implement. CHP played an important, often unacknowledged, role in these demonstrations. It was a convenient technology on which to focus a number of initiatives. As CHP/DH had to be implemented locally it was a policy issue on which the GLC could legitimately spend resources. Similarly the technology had a wide range of local environmental, economic, social and political benefits. Consequently CHP/DH was used in a number of initiatives, London Industrial

Strategy, Sizewell B evidence, Greater London Development Plan, London Energy Employment Network and the miners strike. The political aim of these initiatives was the demonstration of what potentially could be achieved locally and nationally if central government would support the implementation of the technology. The second part of the message was that these policies could or would be supported by a Labour government.

It is difficult to assess the impact of these policies on the national party (see chapter 9). The centre was highly suspicious of the activities of the London left and did not want to form a linkage over these demonstration policies. From 1986 elements of the national party began to recognise that local authorities could provide valuable lessons and new policies which could be built on at national level. But the GLC was abolished in 1986 and consequently had little opportunity to contribute to this process. However, Councillor Ward was a member of the Prescott team and involved in CLES and LEEN was involved in formulating a series of regional and national policy documents calling upon opposition parties to develop energy policies which supported local authority led CHP/DH. The South East Economic Development Strategy (SEEDS) produced an Energy report calling for the municipal development of CHP/DH. These initiatives attempted to translate the GLC's and LB Southwark's demonstration politics into proposals for the municipalisation of energy production (see Chapter 8).

CONCLUSIONS

An analysis of localisation in London requires a detailed understanding of the treatment of CHP by the GLC and LB Southwark, the nature of the local-national interface and the forms of localisation proposed by the CHP and popular planning groups. First, the CHP group developed linkages with those parts of the national party concerned with energy policy to lobby on behalf of the locality and to encourage the national party to adopt particular positions on CHP to assist in overcoming the constraints on its development. Where the local authority did have a specific demand in the case of the Energy Bill they were able to exert influence over national strategy providing it did not conflict with national party priorities. In addition rather than trying to influence national party policy on CHP the CHP group actively sought guidance from the national party on how they should develop CHP locally. But at a national level the party had not developed a policy or strategy and local authorities were left to make progress in a vacuum. Second, the Popular Planning group developed policies which attempted to challenge Conservative energy policy and demonstrate alternative policies which could be implemented by a future Labour government. However, the group did not explicitly attempt to develop linkages with the national party until after GLC

abolition in 1986. Then Michael Ward was involved in CLES and LEEN played an important role in coordinating proposals for alternative energy policies, including the municipalisation of CHP/DH, which were directed at opposition parties.

Consequently, each group developed very different forms of localisation. However most of the local actors involved in the interface argued that there were much more significant linkages between the local and national party in Sheffield and Newcastle⁹¹. Several factors explain this situation. First, there was no attempt at a local level to develop a linkage until after 1982 and therefore it was relatively short term. The authorities in Sheffield and Newcastle had been active on the issue for some time and the linkages were much better developed. Second, much of the focus on CHP/DH in the GLC was directed at establishing internal organisational arrangements for CHP, resolving internal conflicts and setting up links with other London Boroughs. Consequently it took some time to develop the core scheme proposals to a pre-implementation stage and there was no impetus to form external linkages with the national party to overcome constraints operating on the technology. It was accepted that the Government would not fund the scheme so the authorities focused on the production of the core scheme proposals as a basis for negotiating with a future Labour government for funding. Third, there is evidence of national resistance to establishing linkages with the London scheme over the issue of CHP/DH. Councillor's Geddes and Hart argued that Orme did not want to push for the implementation of the technology in London. It is not clear whether he resisted the technology itself or the political involvement of the GLC and the LB Southwark. But as he was actively promoting CHP/DH in other Northern cities it is more likely that the national party was trying to distance itself from London's Labour local authorities. This may also explain why no Labour MPs in the area of London where CHP/DH would be implemented led on the issue. Fourth, in addition to the Lead City CHP/DH scheme the GLC was actively promoting the development of CHP/DH in a number of other policy arenas, the Sizewell Inquiry, the London Industrial Strategy and in support of the miners strike. The main focus was to demonstrate alternative energy policies that met social needs and stimulated the development of community based campaigns for their implementation. It was constantly pointed out that CHP/DH and energy conservation measures could only be implemented with substantial national level government support. However, there does not appear to have been any attempt to put these issues on to the national Labour Party agenda until after abolition, the main focus being based on a critique of present and past Government policy.

⁹¹ *Geddes, Hart Interviews 1987*

**CHAPTER 8 JOINT LOCAL AUTHORITY ACTION AND
CHP/DH**

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INTRODUCTION

A series of linkages was developed between the localities promoting CHP/DH and the national Labour Party through the formation of associations of local authorities interested in CHP/DH. To these we now turn. The three case study local authorities had an important role in the formation of these associations and it is necessary to examine linkages developed with the national Labour Party and relate these activities to different forms of localisation. Localities attempting to develop CHP faced very similar national constraints. Consequently a number of existing or newly formed national groupings of local authorities were used by the authorities in attempts to jointly overcome national constraints on CHP. These associations took a variety of forms and CHP was treated differently in the aims and objectives of the groups. Such differences closely reflect the interests of the local CHP groups involved in a particular association's formation and membership. This has important implications for the linkages developed with the national party and specific forms of localisation being proposed.

JOINT LOCAL - NATIONAL INTERFACE AND CHP/DH

In relation to CHP/DH the most important groups are the National CHP Liaison Group (NCHPLG) and the Charter for Energy Efficiency with the Association of Metropolitan Authorities (AMA). The Centre for Local Economic Strategies (CLES) and the South East Economic Development Strategy (SEEDS) also play a secondary role. The importance of these groups lies in their objective of bringing together and representing a number of localities' interests in a national organisation. Each grouping reflects the interests of different CHP policy communities and this has a significant impact on the nature of the interface with the national party and the type of localisation which results.

National CHP Liaison Group (NCHPLG)

In November 1981 the nine Lead Cities were invited by the District Heating Association (DHA) to attend a meeting to examine "whether joint action can achieve the simultaneous development of CHP in all nine cities"¹. The DHA suggested that the Association and local authorities acting together could gain a great deal by attempting to overcome the institutional constraints on CHP. The three case study localities reacted in different ways to this approach. The GLC and Sheffield City Council supported the proposals and attended the meeting. Councillor Meade of Sheffield argued that "it was vital that the local authorities

¹ *DHA Letter 3rd Nov. 1981*

worked together and avoided any suggestion that they were competing with each other"². The GLC Labour Group supported the GLC's attendance at the meeting. Only Newcastle and Southwark declined to attend on the basis that their attendance would be construed as a criticism of the DEn programme and jeopardise their selection as Lead Cities. The Newcastle Councillor leading on the issue argued that "despite the limitations of the present feasibility studies, the Tyneside local authorities had committed themselves to the study and were bound to support it in its present form"³. Officers in the LB Southwark considered that it was misguided to suggest that CHP proceeds in all nine cities simultaneously in "the present financial climate" and that it was "better to act as individual authorities"⁴. Consequently Newcastle and the LB Southwark agreed not to attend the meeting as they both considered themselves in lead positions and felt that any joint local authority action might be construed as a criticism of the DEn programme.

Initially the DHA provided the chair and secretariat for the meeting but subsequently members from the Lead Cities chaired the meetings. The local authority members were anxious to distance themselves from the DHA's commercial members and allow the councils to undertake political lobbying activity through the Liaison Group. In 1982 the LB Southwark took up active membership of the group after the new Labour Council was elected and new Labour councillors took more interest in CHP. Newcastle also joined the group when they recognised that pressure on central government was required to bring forward the implementation of CHP. All the three case study cities, particularly Newcastle and Sheffield, were to be closely involved in the activities of the group and the CHP group of councillors and officers with responsibility for developing CHP regularly attended meetings. During 1982 the NCHPLG developed a clearer idea of its aims and objectives. The major focus of the group's activity was lobbying to overcome the immediate constraints on CHP development and this was focused on central government, the DEn and opposition parties. The objectives of the group were

- to directly represent to Government and to other key decision makers the appropriate interests of local authorities and other public bodies concerned with CHP;
- to promote proper consideration of the value and benefits of CHP;
- to ensure that adequate public and private investment is committed to the development of CHP;
- to provide for the exchange of relevant information between local authorities and other interests actively engaged in the promotion and development of CHP"⁵.

² *Meeting Between representative of the Lead Cities*

³ *Letter Councillor Gill to DHA*

⁴ *Memo*

⁵ *National CHP Liaison Group Policy Statement*

Over the period 1983-87 the group had a number of meetings with Labour MPs, Stan Orme Shadow Energy Secretary and the PLP Energy Committee. Linkages were usually developed to coordinate efforts to encourage the Conservative Government to make decisions on the Atkins programme and provide support for CHP. Councillors and MPs in Newcastle and Sheffield played an important role in setting up these meetings.

In November 1983 the DHA and the NCHPLG led by Councillor Gill of Gateshead launched a leaflet and exhibition on CHP/DH for MPs. The DHA used this launch to announce a change of title to the Combined Heat and Power Association (CHPA) reflecting the associations increased interest in the development of CHP together with DH. The NCHPLG was hoping that the Government would use the occasion to make a statement on the next phase of the Atkins studies. The Lead Cities councillors and officers attended and asked all their MPs to be present at the meeting. The Minister did not make a statement on CHP and the NCHPLG organised another meeting in December 1983 to put further pressure on the Government for an announcement on the Stage 2 Atkins study. While all the Lead City members and officers attended the only MPs present were the Labour MPs MacWilliam and Cowans from Tyneside. MacWilliam agreed to ask questions in Parliament, contact was made with Orme Labour Shadow Energy Spokesman and Councillor Gill drew up a list of questions for Orme to ask in the Commons. It was agreed that an information sheet on CHP would be sent to all lead city MPs and Councillor Gill attempted to organise a teach in on CHP for Labour MPs in January 1984.

Eventually in April 1984 the Government invited local authorities to prepare submissions with the private sector for lead city status. Consequently direct links with MPs were temporarily halted as each city prepared consortia proposals for submission to the DEn in July. However the Government did not respond quickly and indicated that they would only select three cities. The NCHPLG arranged another meeting with Lead City MPs in November 1984. This was an all party affair with Orme and other Lead City MPs of both parties present. The NCHPLG recognised that better links with MPS were needed and they wanted to organise an all party members CHP Group which they would service.

"Several speakers mentioned the possibility of establishing a cross-party group, as there appeared to be sufficient common ground for this to succeed. Representatives from both major parties agreed to raise the issue in their respective organisations"⁶.

Following this meeting Geddes and Hart arranged a meeting with Orme to discuss Labour Party strategy for CHP (see chapter 7). After this presentation the Labour Party Energy Committee invited the Lead City councils to make a presentation on CHP early in December

⁶ GLC 1984o

1984. Thirteen MPs attended the meeting including Brown from Newcastle and Cabourn from Sheffield. The GLC, LB Southwark, Newcastle and Sheffield were represented by Councillors and officers. Orme argued that although the Labour Party already had a manifesto commitment to CHP the Energy Committee "did not feel that it would be appropriate to form an all party CHP group because of the differing views within parties on implementation and the use of private capital"⁷. However to take work further the Energy Committee needed a paper from the NCHPLG on the strategy MPs should adopt in taking forward CHP. The meeting was useful for the NCHPLG in briefing MPs and "being assured of their support for CHP development"⁸. There was a commitment to raise the issue in the House by written and oral questions and a member of PLP would attend the next meeting of the NCHPLG. It was subsequently agreed by the Energy Group that two MPs, Peter Hardy and Terry Patchett, would attend meetings of the NCHPLG. But neither attended subsequent meetings although they asked to be kept informed by copies of minutes.

In 1985 the NCHPLG faced a number of problems and the members began to consider future options. The groups' activities depended on the voluntary work of its member authorities without the support of its own secretariat. The CHPA were concerned that the Group was moving away from the Association but local authorities felt that the link with the CHPA and the commercial interests the Association represented created the potential for conflicts of interest. The main issue centred on the group's failure to develop wide spread and positive support for the technology. The group decided to maintain its separate identity from the CHPA, fund its own administration and developed a strategy to intensify lobbying of groups sympathetic to CHP/DH. Councillor Russell of Newcastle, with the assistance of the Council's energy adviser David Green, agreed to raise the political profile of the group and promote local authority interest in CHP. The aims of this renewed campaign were to

- increase awareness amongst key decision makers of the relevance of CHP;
- establish CHP firmly on the political agenda as an investment issue requiring support;
- ensure that a commitment to effective finance for CHP is achieved;
- demonstrate the relevance of CHP to issues such as local economic development, housing renewal, innercity regeneration⁹.

To achieve these aims the group attempted to work with a variety of interest groups, including MPs, political parties and local authority associations. Throughout 1985-87 Newcastle organised press releases, responded to government announcements, produced documents on CHP, and attended annual party conferences towards "ensuring the major

⁷ *Minutes of Meeting*

⁸ *Minutes of Meeting*

⁹ *Newcastle City Council 1985c*

political parties build into their programmes an effective commitment to CHP"¹⁰. In 1986 the group was represented at Labour conference where Blunkett was the keynote speaker. Direct linkages were developed with the AMA over DH policy. Further meetings were held with the Parliamentary Labour Party Energy Committee and Shadow Energy Spokesmen Orme and Prescott.

However by 1988 the group had renewed problems. Newcastle had formally abandoned its attempts to develop CHP and the rationale for its activity in the group. Only Leicester and Sheffield had any real possibility of implementing a scheme and all their resources were concentrated on this end. Consequently the group was disbanded and the local authority members were invited to join the CHPA's Local Government Committee.

During its existence the NCHPLG was entirely composed of those councillors and officers with direct responsibility for developing CHP - the CHP groups. Consequently the linkages with the national Labour Party reflected these interests. The main demand on the Labour Party was to adopt particular strategies of support for CHP in the Commons. In most cases the party was able to deliver support but such support was never a major priority. For instance during the miner's strike there was little time to include Parliamentary questions on CHP. At national level the party would not agree to form an all party pro-CHP group because of the privatisation element in the Governments CHP proposals. This created the interesting situation of Labour local authorities forming partnerships with the private sector to implement CHP apparently in conflict with national party policy. However, the NCHPLG made very few demands for changes in party policy which in any case already supported the technology. The group's main aim was encouraging the party to adopt a strategy pressurising the Government to support the technology, although before general elections the group met with the party to try and re-affirm its commitment to CHP and outline some of the constraints which would need to be removed by an incoming Labour government.

Charter for Energy Efficiency

The Charter for Energy Efficiency was established in 1985 to bring

"together a wide range of consumer, local authority, voluntary, trade union and business interests. The Charter groups believe there is an urgent need to boost real investment in a more energy efficient Britain in order not only to stimulate employment, but also to tackle the nation's regular winter crisis of cold homes"¹¹.

The Charter was established by David Green who was responsible for instigating a series of community energy projects in the North East from the late 1970s and was Newcastle City

¹⁰ *Newcastle City Council 1985c*

¹¹ *The Charter for Energy Efficiency 1985*

Council's and the AMA's energy adviser. The Charter was an attempt to formulate a loose grouping of agencies interested in energy efficiency and jobs issues to develop documents calling on government and the opposition to develop new forms of national energy policy. From 1985 a series of energy policy documents was formulated in collaboration with particular local authorities, mainly LEEN and Newcastle City Council. The policy documents were explicitly aimed at developing national energy policies for the opposition parties and the Labour party in particular.

The National Charter for Energy Efficiency was published in 1985 and set out a broad five point national energy efficiency programme calling for investment in housing stock, a partnership with local government to implement local energy efficiency programmes, a national home energy audit programme, financial assistance for low income households in hard to heat homes and

"Positive action to secure the rapid development of energy efficient technologies such as CHP. Such action should include:

- National recognition that CHP is a central part of energy policy, not an "add on" to energy efficiency.
- New institutional arrangements which harness the efforts of local authorities, the private sector and consumers to the task of bringing forward the development of CHP/DH.
- Provision of resources to upgrade and improve existing DH systems.
- Direct investment in all major CHP schemes judged to be viable against the same economic and operational criteria applied to other forms of energy technology, such as conventional electricity generation"¹².

Although the Charter set out the broad national objectives the aim was that "detailed planning must take place at regional and local authority level to ensure that these broad objectives are translated into policy and practice on the ground. During 1986 a series of regional initiatives will take place to produce more detailed energy efficiency plans"¹³. The only regional plan to be produced was the London Energy Action plan produced by LEEN within the framework of the Charter. However the LEAP "emerged from the recognition given by the GLC to London's energy problems in the Greater London Development Plan and the Greater London Industrial Strategy"¹⁴. The plan makes a series of recommendations on energy issues including CHP

Central Government and the major opposition parties should:

- ease the public expenditure constraints on local authorities to enable them to invest in cost-effective major heating and improvement programmes and in CHP systems

¹² *The Charter for Energy Efficiency 1985*

¹³ *LEEN 1986b p10*

¹⁴ *LEEN 1986b p37*

- give strategic planning powers in energy supply and energy use to a future London regional government

London Boroughs should:

- investigate the possibilities of developing CHP core schemes in their areas

The London trade union movement should:

- campaign for the implementation of programmes of investment in more effective heating and insulation and CHP, in recognition of the employment opportunities which will be created by these programmes¹⁵.

It was envisaged that the new London wide authority would be responsible for the development of CHP in conjunction with the London Boroughs. The aim was to use the plan to approach a future Labour government over investment in CHP and energy efficiency in London¹⁶.

The second initiative in 1986 around the Charter was Newcastle City Council's Energy Inform Office sponsorship of the publication "Still Out in The Cold: CHP in Britain". This was produced by Newcastle as part of the NCHPLG's renewed campaigning activity from 1985. The document reviews the benefits and constraints on CHP and calls for a national investment programme for CHP with local authorities taking the lead for running and developing CHP/DH schemes¹⁷.

Third, later in 1986 this was followed up with another report "Too Cold for Comfort" published by the Charter in collaboration with LEEN. The report attempts to set out what a programme for energy efficiency would look like by reviewing the "institutional, legal and financial obstacles that would be faced by an incoming government seeking to implement it, and proposes the passing of a new Energy Act to help overcome them"¹⁸. The energy efficiency programme would involve, improving insulation standards in new and existing homes, use adequate heating systems, provision of energy advise and audit services and "securing the longer term needs of energy efficiency through the establishment of CHP systems in major population centres"¹⁹. This programme would have major social, environmental, economic and employment benefits. The report is clearly orientated at the opposition parties in particular the Labour Party which "has now stated its commitment to a major public sector led programme of investment in domestic insulation and CHP" and examines how this would be translated into practice. The

"key role in implementing such a programme must lie with the local authorities working in collaboration with private and voluntary agencies and the energy utilities. Only in this way will

¹⁵ LEEN 1986b p3

¹⁶ Parsons Interview 1987

¹⁷ The Charter for Energy Efficiency 1986a

¹⁸ The Charter for Energy Efficiency 1986b

¹⁹ The Charter for Energy Efficiency 1986b

effective action which is responsive to local needs can be achieved. At the regional and national level a new two tier Energy Efficiency Agency dedicated to the promotion, coordination and financing of local energy efficiency programmes must be established. These institutional changes need to be combined with changes in the financing powers and functions of the fuel utilities, local authorities and other agencies. A new Energy Act is needed to pave the way for a new and effective national energy efficiency programme²⁰.

In addition the report argues that there is an opportunity for political parties to build into their proposals for regional government a role for energy planning and programme implementation comparable to the new role being considered for water, economic development, health and transport.

"The report 'Too Cold for Comfort', released at the Labour Party Conference expressly addresses these issues, as well as the legal and financial issues. The Shadow Cabinet have stated their commitment to a major programme of investment in energy efficiency and Combined Heat and power when they come to power. Given this we could, in the UK, be on the threshold of a major shift in our national energy policy. This shift must inevitably entail a major change in the institutional structures of the energy sector if it is to be successfully implemented. Local authorities should here, as in Scandinavian, take a major role in local energy planning. In order, however, for this to happen there is the need for legal and institutional changes not only locally, but also nationally:

- a national independent Energy Efficiency Agency funded by the Department of Energy needs to be established to co-ordinate the development of energy policies by local authorities and to allocate Government resources for their implementation,
- legal changes are necessary in the financial criteria applied to public sector energy efficiency improvements,
- the Housing Improvement Grants and Home Insulation Scheme needs extending,
- local authorities need greater powers to plan and implement CHP developments²¹.

Under a new Energy Act local authorities would submit Energy Efficiency programmes to their regional Energy Efficiency Office covering such areas as heating and insulation, role of energy utilities, grants and "proposals for the development or extension of CHP/DH schemes within their area". The National EEA would then allocate capital and revenue funding towards the programmes implementation. These proposals were clearly orientated at the Labour Party. David Blunkett launched the document at the 1986 Labour Party conference and argued that

"If we are going to capitalise on the full benefits of energy efficiency, then new arrangements are needed. Without them, investment in technologies such as CHP and action to make our buildings better insulated and heated will never be likely to happen at the pace and with the vigour a government committed to job creation and energy efficiency should demand. The need for a coordinated energy policy, mirrored at the local level by practical plans to bring benefits and savings to everyone, is undeniably stimulating the debate and providing both examples and opportunities of assisting in bringing this a little nearer".

²⁰ *The Charter for Energy Efficiency 1986b*

²¹ *LSPU 1987a*

The report concluded by arguing that if "we are to turn political commitment into practical reality early in the life of a new government, then it is necessary to begin to think seriously now about how this will be achieved. Any political party seeking office should be laying plans to meet these goals. This report does not set out the blueprint - but does outline the agenda for action".

"A great deal of work still needs to be done to define more carefully the institutional changes that would need to be introduced by a new government, and to draft an Energy Bill in preparation. It is intended that the Charter for Energy Efficiency, which funded the preparation of "Too Cold for Comfort", will undertake a more detailed study funded by local authorities"²².

Consequently the final initiative around the Charter was the production in late 1986 of "Setting up a National Energy Efficiency Agency: An Agenda for Action". This report builds on Too Cold for Comfort and suggests how an EEA could be set up, powers and resources required, and how the agency might operate. Finally it sets out a draft Energy Efficiency Bill which could bring the EEA into being and amend existing legislation to support energy efficiency. The EEA would have the powers to promote and set up CHP/DH in conjunction with local authorities and other local organisations. Earth Resources Research Ltd. were commissioned to prepare this document as the local authority members of the Charter had neither the time or skills to prepare such detailed national energy proposals.

The clear aim of all these initiatives around the Charter for Energy Efficiency was to develop at national, and regional level in London, an energy policy for the national Labour Party. These documents were launched at Labour Party conference and used in meetings to lobby Shadow Energy Spokesmen. The proposals for CHP clearly built upon the policies developed by the three case study authorities and sought to develop a national energy policy framework within which councils could successfully implement CHP.

Association of Metropolitan Authorities (AMA)

The AMA represents the interests of all metropolitan authorities and liaises with central government and the opposition over issues affecting local government. The Association has been controlled by Labour local authorities since the early 1980s. Senior members, officers and councillors of AMA policy committees have been represented on some Labour policy making committees and advisory groups. The Association's activities on CHP have been highly variable. In 1980 the AMA were involved in the distribution of invitations inviting local authorities to take part in the Atkins study. Until 1985 their main initiative was limited to arranging meetings, on behalf of local authorities, with Government energy ministers to speed up government decisions and obtain funding for the schemes. These meetings were

²² LSPU 1987a

arranged through the AMA Public Works committee by Newcastle and Sheffield. In 1985 the AMA published two reports on energy in housing and energy savings in local authorities²³. However from 1985 the AMA began to take a more interventionist role. The NCHPLG attempted to form closer relations with the AMA over the promotion of CHP in recognition of the Associations' greater expertise, resources and contacts. The AMA became more involved in the promotion of local energy initiatives and a concrete example of this trend was the launch of a good practice guide for local authority district heating schemes early in 1988. In addition the Association published its own review of local energy initiatives and supported the Charter for Energy Efficiency.

The AMA's role in localisation was to act as a mechanism for gaining access to central government and other local authorities. On the request of the CHP group it lobbied for authorities trying to implement CHP and through the impact of local energy planners spread information to other local authorities on the benefits of CHP and other local energy initiatives. In this sense the AMA's approach was not dominated by any particular CHP interest group, like the NCHPLG or CLES, but it acted as a conduit for a number of interests for the wider benefit of local government and CHP.

Centre for Local Economic Strategies & South East Economic Development Strategy (CLES/SEEDS)

CLES and SEEDS were both established in 1986 and developed from the employment and economic development activities of a number of mainly Labour local authorities. CLES represents the interests of a national group of local authorities. Sheffield was one of the three local authorities which founded CLES and Michael Ward, former Chair of the GLC Industry and Employment Committee, subsequently became Director. SEEDS is regionally based on South East local authorities and SEEDS employed a number of former GLC officers, including Robin Murray the Director of the Economic Planning Group. The main impetus for these organisations' development was the need to establish a national or regional forum for the relatively new but fragmented employment initiatives of a number of authorities. The groupings act as centres through which information and experience is exchanged between authorities and demands formulated to extend the effectiveness of economic development initiatives. While membership is open to all local authorities regardless of political control given the focus on local employment initiatives they are inevitably dominated by Labour controlled authorities. For instance CLES was closely involved in the production of the Job Plans with the Prescott group of MPs (see chapter 6

²³ AMA 1985a & b

and 9). Consequently both organisations are strongly aligned with the interests of the local employment groupings in local authorities.

However, both organisations have examined energy issues through the publication of reports presenting model local energy policies. They were both produced by Adrian Atkinson, a SERA member, closely involved with Newcastle trade unions and an energy worker in the GLC. CHP was an important element in both documents along side local conservation initiatives. The CLES report argues that "it is unlikely that any significant development of local CHP systems will take place until there is a major shift in government policy towards CHP"²⁴. But whilst the Labour Party has "made structured statements on energy policy it should be stressed that these remain general rather than making any very firm commitment to the allocation of resources to different aspects of the energy economy"²⁵. Consequently the report argues that "local authorities would be well advised to see that they have worked out proposals for relevant energy investments before the next election"²⁶. The SEEDS' report was an attempt to develop a regional energy strategy for the SEEDs member authorities²⁷ which included an important role for CHP/DH. But Sheffield was the only authority to include energy issues and CHP/DH in its local jobs plan. The important point about both these proposals is that they seek to demonstrate, and formulate through the Sheffield jobs plan and SEEDS regional plan, proposals for municipal control of energy production.

FORMS OF LOCALISATION

Each of the above national and regional associations was interested in CHP for different reasons. For instance the NCHPLG focused on implementing CHP in each of the member cities, the Charter for Energy Efficiency was interested in the role of local authority led CHP as part of a wider national energy efficiency programme and the CLES initiative sought to link CHP to employment creation through local jobs plans. These differing foci reflect the interest of the groups in each locality which formed or were represented on the national associations. For instance the NCHPLG was composed entirely of CHP developers while the CLES and Charter initiatives was composed of local interests promoting municipal enterprise or local energy planning.

The different associations formed specific forms of linkage with the national Labour Party and focused on promoting particular forms of localisation. The NCHPLG basically focused

²⁴ CLES 1986d p49

²⁵ CLES 1986d p75

²⁶ CLES 1986d p75

²⁷ SEEDS 1986

on linkages with the PLP Energy Group to encourage the party to adopt particular strategies on CHP in Parliament to try and force the Government to support the technology. The NCHPLG accepted that the Labour Party had a policy commitment to CHP and was not interested in changing or altering the party's policy for CHP. The AMA's promotion of CHP and local energy planning was related to its concern to extend local authority activities in this area. However the Charter and CLES proposals were much more interested in influencing the form of the national party's commitment to CHP. For instance the Charter felt that the party's policy commitment to CHP was not clear or firm enough to overcome the constraints on CHP's development. Consequently the Charter formulated very detailed national energy policy proposals to the extent that an Energy Bill was drafted for implementation in the first year of a Labour government. The Charter developed a structure that would assist local authorities to implement CHP. The London Energy Action Plan was one example of the type of policies that local authorities would want support from the proposed Energy Efficiency Agency to implement. CLES and SEEDs were interested in CHP as part of wider jobs, rather energy plans, that could be supported by a future Labour government linking local and national economic and employment policies. Sheffield was the only local authority to include CHP in its jobs plan.

CONCLUSIONS

Consequently the NCHPLG was interested in localising national party strategy and lobbying for CHP. The other groups were more concerned with developing new forms of national policy proposals for the regionalisation and municipalisation of CHP. The important point is that all the localities chosen for case studies played a role in the development of new national associations representing local interests which formed a linkage with the national Labour Party. In so doing, it seems that they felt the need for more unified action than was possible in a straight local - national link. In several cases they were careful to set up organisations that were mainly restricted to Labour local authorities. These authorities worked through the organisations to influence the development of national Labour Party policy for CHP/DH. These associations represent a new form of linkage between local and national party and were representative of a more systematic attempt in the 1980s to place locally developed policies on to the national party agenda. The impact of the different forms of localisation is examined in the next chapter.

CHAPTER 9 NATIONAL LABOUR PARTY POLICY AND CHP/DH

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INTRODUCTION

This chapter analyses the development of national Labour Party policy for CHP/DH over the period 1977-87. The aim is to examine the impact of three cities, those of our case studies, Sheffield, London and Newcastle, on the development of national Labour Party CHP/DH policy. The previous four chapters have examined the interests of each of these localities in CHP/DH, their linkages with the national Labour Party, the demands made on national policy and the formation of joint local authority initiatives which attempted to influence national policy. This chapter examines the implications of these local linkages with the national Labour Party and their impact on national policy for CHP/DH.

There have been very few studies of Labour Party policy formulation, no major studies of the impact of particular localities on national policy and, with the exception of nuclear power, no studies of energy policy formulation. Consequently this thesis attempts to fill a major gap in the literature by examining the impact of particular local units of the Labour Party on the development of national party policy. However there are major difficulties in constructing the analysis in this chapter. It is difficult to undertake research on national Labour Party policy formulation. Both the papers and minutes of Labour Party policy committees are usually confidential and not available for public consultation. Since 1983 the party has failed to establish a formal energy policy-making committee. The major problem is the construction of a conceptual framework within which the impact of local parties on national party policy formulation can be assessed. An attempt was made in earlier chapters to construct such a framework. The main argument was that the traditional framework of disassociation between the local and national party was broken in the mid 1970s since when both levels of the party have engaged in wider discussion and policy debate. This allowed new forms of relationship to develop between local and national party, including localisation through which local parties displaced issues on to the national policy agenda. For the present study CHP/DH was selected as an issue which linked local and national party as the technology could only be implemented within a supportive framework of national energy policies. Three Labour controlled localities which have been exemplary in their promotion of CHP/DH were selected for case study analysis of their impact on the development of national party policy.

The development of national Labour Party CHP/DH policy can be periodised into three phases of policy development (see figure 9.1). These three periods are identified on the basis of the following features: the nature of party policy-making mechanisms; the impetus to

Figure 9.1 Periods of National Labour Party CHP/DH Policy Formulation

PERIOD	CHP/DH POLICY	POLICY ARENAS	KEY ACTORS	POSITION ON CHP/DH	LOCAL LINKAGES
1976-79	ASSESSMENTS OF CHP/DH	GOVERNMENT/PROFESSIONAL	ADVISORY GROUPS DEPT. OF ENERGY BENN	GENERALLY SUPPORTIVE MARSHALL ASSESSMENT WAIT FOR MARSHALL	TRADE UNION COMMENTS GLC COMMENTS TRADE UNION/NEWCASTLE C.C PRESSURE FOR ACTION
		PARTY MECHANISMS	ENERGY SUB-COMMITTEE ENVIRONMENT STUDY GROUP CONFERENCE TUC	PERIPHERAL TECHNOLOGY KEY ROLE IN ALTERNATIVE PLAN REJECTED (ANTI-NUCLEAR LINK) PERIPHERAL TO COAL/NUCLEAR	GLC - HART, SHEFFIELD - HOOLEY SUPPORT LOCAL CONTROL TRADE UNION LOBBY TRADE UNION LOBBY
1980-83	CHP/DH POLICY	PARTY MECHANISMS	PLP	TACIT SUPPORT	TRADE UNION, LOCAL AUTHORITY LINKS DHA, MPS, SMITH AMENDMENTS HART, HOOLEY, BAILLIE
			ENERGY SUB-COMMITTEE ENVIRONMENT STUDY GROUP CONFERENCE TUC	SUPPORT ON JOBS GROUNDS PRO-LOCAL CONTROL SUPPORT (NON ANTI-NUCLEAR) SUPPORT ON JOBS GROUNDS	CLP, TRADE UNION MOTIONS TRADE UNIONS
1983-87	MUNICIPALISATION	AD HOC PARTY MECHANISMS	ENERGY POLICY	SUPPORT ON JOBS, EFFICIENCY	GLC SEEK NATIONAL GUIDANCE CHPA, CHARTER EE, CLES SEEDS TYNESIDE 2 CONVENTIONAL PS
			OTHER POLICY ISSUES	LOCAL/REGIONAL CONTROL	GLC LIS SHEFFIELD JOBS PLAN

develop policy; the accessibility of national Labour Party policy-making mechanisms to demands from localities; the national party's attitude to CHP and the response to demands from below. Within each period there are a series of distinguishing features. These include: the extent to which CHP has intertwined with wider energy policy debates, particularly about the role of nuclear power; the extent to which the national party supported CHP for the same reasons that localities have; the reformulation of the reasons for national party support of CHP; and the extent to which the national party policy is rational logical and coherent.

CHP/DH policy development is divided into three phases. During the period, 1976-79, the Labour Party was in Government. The key feature of this phase was the governmental and party assessments of CHP/DH's potential. Despite intense lobbying from Tyneside trade unions and Newcastle City Council the party did not make a policy commitment to CHP on the basis that it was waiting for the publication of the Marshall Report. Between 1980 and 1983 the party was in opposition. A more open debate around energy policy took place. CHP/DH began to occupy an important role in a new energy scenario as Tyneside trade unions and local authorities put pressure on the party to support the technology. At the end of this period the party made its first formal policy commitment to CHP/DH. Finally, between 1983 and 1987, CHP was linked to a much wider range of policy debates. There were many more linkages with the local party during this period and the main theme was the development of national policies that would lead to the municipalisation of CHP. The development of CHP/DH in each of these periods is considered below.

This chapter is divided into five sections. Sections one - three examine the three periods of CHP policy development in the national Labour Party and the linkages formed between particular localities and the national party over CHP/DH. The fourth section examines the impact of different forms of localisation on the national party. Finally, the conclusion reviews the importance of the three localities in the development of national Labour Party policy.

GOVERNMENTAL, PROFESSIONAL AND PARTY ASSESSMENTS OF CHP/DH : 1976-79

Energy policy was an important political issue when the Labour Government was elected in 1974. The miners' strike had an important role in the defeat of the Heath Government, the 1973 oil price rise increase had a major impact on the economy as oil imports constituted over 60% of the trade deficit in 1974 and the exploitation of North sea oil was begun. Despite the expansion of Labour Party policy-making procedures and committees in the early 1970s, energy policy development was not allocated a high priority. Although the party produced a series of major policy documents during this period there was almost no

mention of energy issues¹. The Labour Party established its first Energy Research Committee in 1973, which subsequently became the Energy Sub-Committee, Chaired by Joe Gormley. It had 7 members of which 3 were MPs and the rest dominated by representatives from trade unions with memberships in the energy supply industries. The Committee did not produce a major energy policy statement until 1976.

In 1974 the Labour Party entered Parliament with an energy policy based on the energy programme produced by the TUC². The TUC energy policy document was basically concerned with expansion of all forms of energy production, coal, oil and nuclear. There was no mention of CHP/DH in any of the party or trade union policy documents. The main energy issues during the Labour administration were

- the extraction and taxation of North Sea oil
- the need for a decision on the type of reactor for the nuclear power programme
- the expansion of the coal industry and agreement on the Plan for Coal
- investment in energy conservation and alternative energy sources
- and open debate about energy policy³.

Eric Varley was appointed Energy Secretary from March 1974 until June 1975 when Tony Benn, removed from Industry, took charge until 1979. Benn was able to stimulate serious thought and open discussion about Britain's energy policy⁴. A series of advisory groups were established to advise on energy policy issues. These advisory panels and groups comprised professionals, civil servants and individuals from the energy industries and education, but Benn also held discussions with trade unions. The aim was to develop an integrated energy policy. Although the Labour Party had no policy on CHP/DH a number of Government energy studies and Labour Party policy-making committees did consider the potential of the technology during this period.

Governmental and Professional CHP/DH Debates

The wide ranging public and professional debate on energy issues resulted in a thorough national assessment of the potential of CHP/DH. These assessments ranged from taking a conventional view of its limited application through to placing it as a central component in an

¹ *Labour Party 1972, 1973, 1974a & b*

² *Craig 1982*

³ *See Benn 1980 p74-92, Porter et al 1986 p62-70, Pearson 1980 and Goode 1980*

⁴ *For instance in 1976 the DEn held an Energy Conference, in 1977 an Energy Policy review was published and an Energy Commission established to advise the DEn on the development of a national energy strategy which formed the basis of the 1978 Green paper. See DEn Energy papers series which expanded greatly in this period.*

alternative energy strategy. However, with some exceptions, particular localities did not attempt to influence the assessment process (see Chapters 5-8).

The 1974 National Economic Development Organisation (NEDO) report *Energy Conservation in the UK* was generally unsupportive of CHP/DH⁵. The report emphasised the economic difficulties and the problems of integration with the national grid and argued for the separate production of heat and electricity with the major part of electricity supplied by nuclear generation. The Advisory Council on Energy Conservation (ACEC) which was set up by Varley in June 1974 recommended in 1976 that the ESI "should take a much more positive lead in developing industrial CHP schemes"⁶; noted in 1978 that the option was "potentially so important that the obstacles in its development should be continuously kept under review"⁷; and later argued that the option should be "vigourously pursued"⁸. The Select Committee on Science and Technology published a 1974-75 report on *Energy Conservation* which was quite positive⁹. The report was critical of the limited measures that had been taken and identified the key issues surrounding the organisational and political constraints on CHP/DH. Although the Committee recognised the difficulties it felt that the "potential energy savings are of such significance that apparent difficulties should not discourage further exploration of such schemes"; suggested that old power stations might be converted to CHP/DH "where appropriate"; and called for the removal of the financial constraints on local authority development of DH. The most significant report for the development of CHP/DH was produced by the Central Policy Review Staff (CPRS) who produced a report on energy conservation for the Labour Government in 1974¹⁰. The CPRS showed a much better understanding of the issues and resisted orthodox preconceptions of the option. It recommended a "comprehensive study of combined energy schemes ...as a matter of urgency"¹¹. This report led directly to the setting up of the Marshall Group investigation of CHP/DH (see chapter 4).

Some of the official groups reporting on energy conservation in the mid 1970s suggested a need to change the industry's statutes. This issue was raised in the discussions about the reorganisation of the industry. The Plowden inquiry briefly considered the implications of the ESI's structure for the development of CHP¹². Plowden argued that the industry's statutory duty to provide "an efficient, coordinated and economical electricity supply" should

⁵ NEDO 1974

⁶ ACEC 1976 p19

⁷ ACEC 1978 p20

⁸ ACEC 1970 p2

⁹ *Select Committee on Science and Technology 1975*

¹⁰ CPRS 1974

¹¹ CPRS 1974 p6

¹² DE 1976b

be changed to take into account the importance of energy conservation. It was proposed that the ESI should be allowed to purchase electricity from a CHP scheme at a higher price than the CEGB's marginal cost of generation and that it should be allowed to sell heat from other than CHP sources. But CHP would still remain incidental to the Board's main activities. However these recommendations represented a significant break with the terms under which the ESI assessed schemes and increased pressure it to consider CHP. The industry objected to the recommendations and to the incorporation of Clauses based on them in the Electricity Bill of 1978. Neither Plowden nor the pre-legislative hearings on the Bill considered how the proposed new structure of the ESI would conflict with the intention to facilitate CHP schemes and the arguments over the structure continued after the shelving of the bill in 1978.

After the establishment of the Marshall Committee in late 1974 Government comments on CHP/DH merely referred to the existence of the investigation and awaited its findings. The future of CHP increasingly came to be seen as dependent on the Group's recommendations. The Government's reply to the Report of the Select Committee merely noted the Group's study and promised to investigate the links between public and private plant in the light of the groups findings¹³. The 1978 Green Paper stated that the Government would be "considering it's future policy towards all forms of combined heat and power in the light of comments on the Working Party's report and the final report of the Group"¹⁴. But it remained sceptical about a significant future for the option. Various Energy papers made reference to the continuing investigation by the Marshall Group. The continuing investigation of CHP excused its marginal consideration, omission from forecasts, discussion from organisation and other central themes in Government energy policy. However, the idea of large scale introduction of CHP began to take root more widely.

Newcastle City Council and the Tyneside Trade Unions contacted Benn about the long wait for the Marshall Report and the potential for refurbishing old power stations. But Benn argued that he was still waiting for the Marshall Report and that refurbishment was an issue for the CEGB¹⁵. As part of the wider campaign the Tyneside unions commented on the Government's 1978 Energy Policy Green Paper and called for the development of CHP while criticising the DEn for their lukewarm attitude to CHP. The Conservative controlled GLC assisted in the production of Energy Papers 34 and 35. In addition the GLC's comments on the 1978 Energy Policy Green Paper proposed measures for the

¹³ *Select Committee for Science and Technology 1976b*

¹⁴ *DEn 1978*

¹⁵ *Letter*

decentralisation of energy issues (see chapters 5 & 7). The central response to calls for CHP/DH was: wait for Marshall.

Labour Party CHP/DH Debates

At national level, debates about the role of CHP/DH within the Labour Party took place in a number of policy-making contexts (see chapter 1). Two NEC sub-committees, the Energy Sub-Committee and the Environment Study Group, which reported directly to the Home Policy Committee, considered the option. The Study Group had a much broader membership than the Energy Sub-Committee resulting in a number of conflicts between the two Committees over energy policy. In addition affiliated organisations could bring forward motions on energy issues to the Annual Party Conference. In these arenas CHP/DH received very different treatment. The Study Group was supportive of CHP/DH. The arguments against the technology came from powerful pro-nuclear trade unions at Conference and on the Energy Sub-Committee who rejected CHP/DH as a threat to the further development of the nuclear power programme. Two of the case study localities attempted to influence CHP policy development.

There was one energy motion, Composite 36, at the 1976 conference which called for the extension of coal use¹⁶. The Power Engineering Industry Trade Union Committee (PEITUC) went to conference to press for support for their industry. In response Benn referred to the Central Policy Review Staff (CPRS) investigation of the industry. CHP/DH was not yet an issue in the trade union campaign as the main demand was the ordering of Drax B ahead of need. The Environment Study Group was established by the Conference when the NEC asked it to produce a "Statement on the Environment" for the 1979 election. The NEC published a comprehensive policy statement in 1976 "Labour's Programme for Britain". The Energy Chapter was produced by the Energy Sub-Committee during 1974-76 under the chairmanship of Tony Benn. It was a detailed statement reflecting many of the policy initiatives Benn had started at the DEn and the interests of the Energy Sub-Committee membership by calling for more intervention in the nationalised industries, the expansion of the coal industry and recommended the selection of the SGHWR as Britain's new reactor choice. However, the concept of CHP/DH was implicitly introduced into the document by linking the technology with other policy issues. The section concerned with the expansion of coal stated:

"We would encourage the direct use of coal in industry, and the development of new markets such as substitute natural gas production and district heating. We also believe that there is great scope

¹⁶ See *Labour Party 1976a*

for the use of a wide range of grades of coal to provide alternative heating systems within towns and cities with the development of the fluidised bed combustion system"¹⁷.

It was envisaged that a small contribution to energy supply would be made through "the extension of district heating systems which use waste heat instead of fuels, from power stations and incinerator refuse"¹⁸. Although there was no direct reference to the development of CHP/DH the document did raise the issue of using waste heat in cities and the development of district heating schemes. It is not clear where this policy came from but Benn had an important role in the drafting of the document and may have inserted these references. For instance in 1974 Benn was aware of the opportunities for the implementation of DH¹⁹. However, when Benn provided Conference with comprehensive reviews of DEn policy over the 1976-78 period he failed to mention Government assessments of CHP/DH²⁰.

However in 1977 there were signs of a growing disagreement over the development of energy policy. At the 1977 conference Composite 47 called for a halt to the Windscale FBR and nuclear power and the expansion of coal and alternatives. This was strongly opposed by the NEC and trade unions and was remitted²¹. The Energy Sub-Committee began to produce a draft energy document in 1977²². The initial drafts were pro-nuclear and anti-renewables. There was no mention of CHP²³. In parallel the Environment Study Group was producing a background paper on the environment. The energy issues section of the document was being prepared by the Energy Sub-Committee²⁴. However this paper was not considered "adequate" by the Secretary of the Study Group and a member of the Environment group was asked to prepare a more "revolutionary, controversial" paper.

At the 1978 conference Composite 27 expressed concern at the priority given to the expansion of nuclear power and called for the development of renewables. This was remitted after trade union and NEC objections²⁵. At the conference Benn discussed the bringing forward of the Drax B order. Although the unions short term objectives had been met the power engineering industry still faced serious long term problems unless a regular power station ordering programme was developed. Consequently the unions began a campaign within the trades and Labour movement to gain the Labour Governments support

¹⁷ *Labour's Programme 1976b p39*

¹⁸ *Labour's Programme 1976b p41*

¹⁹ *Benn 1974*

²⁰ *Labour Party 1976a, 1977, 1978*

²¹ *Labour Party 1977 p225-33*

²² *Energy Sub-Committee Minutes of meeting 23rd Jan 1978*

²³ *Labour Party Energy Sub-Committee 1979*

²⁴ *Environment Study Group Minutes of meeting 16th Nov 1977*

²⁵ *Labour Party 1978 p349*

for CHP's implementation (see chapter 5). At the 1978 Labour Party conference the PEITUC lobbied Government ministers, MPs and prospective candidates and trade union officials, and set up meetings with Tony Benn Energy Secretary and Alan Williams at Industry²⁶. The unions warned the Labour Party that despite the Drax order the industry was still in crisis and that in response

"the Government must place 2 pilot schemes for CHP stations now, if they are to form an effective part of energy conservation and efficiency in the future. The pilot schemes should be based on existing city centre stations or of a new design such as fluidised bed combustion"²⁷.

The unions wanted "some indication of the patterns of the (power station) refurbishing programme and the possibility of pilot schemes on CHP plant"²⁸. The unions continued to raise "the question of CHP systems in meetings with government ministers"²⁹. Although Benn was sympathetic to the CHP concept he felt unable to take action until the Marshall Report was published and that in any case the refurbishment of old power stations was up to the area boards. Alan Williams was less supportive and argued that there was little his Department could do to develop CHP. These meetings were followed by discussions with local MP's in the House of Commons who the trade unions successfully lobbied to support their position³⁰.

As a result of these linkages Benn ensured that Energy Paper 20 and CHP/DH were in the draft Energy Sub-Committee policy paper. In 1979 the draft now called for "re-examination of the scope for the application on a wide scale of combined heat and power schemes" which was seen as a "long term measure" that the government had begun to tackle³¹. In addition the GLC Councillor Hart was a member of the Committee and supported the development of CHP. However this document was not published due to the 1979 general election announcement. The final Draft of the Study Group's Environment Background paper was much more positive about CHP/DH. The new section on energy argued for the introduction of CHP on the basis of energy savings, job creation, the use of coal and support for jobs in the power engineering industry. The Study Group felt "that the Government ought to explore the possibilities in this field and where possible incentives for local authorities to install heating systems compatible with future community heating networks"³². The final statement presented to conference argued that "Greater priority should be given,

²⁶ TUSIU files

²⁷ Corporate Union Committee 1978

²⁸ Letter from Corporate Union Committee to Benn 2nd Oct 1978.

²⁹ Corporate Union Committee 1979 p3

³⁰ Williams would not meet with the trade unionists until they submitted a list of questions.

³¹ Labour Party Energy Sub-Committee 1979

³² Labour Party Environment Study Group 1978

for example, to using the waste heat of power stations in district heating schemes" and that "small city-based heat and power systems could come to employ thousands"³³.

There was an emerging conflict between the Energy Sub-Committee and the Environment Study Group over the development of energy policy. The Study Group was clearly anti-nuclear and pro-alternatives including strong support for the development of CHP/DH. The Energy Sub-Committee clearly reflected the interests of its membership with strong support for coal and nuclear power while CHP/DH was seen as peripheral to these concerns and a threat to the development of nuclear power. CHP/DH was introduced into the Sub-Committee debates by individuals with a particular interest in the technology such as the Tony Hart the GLC Councillor. The Committee argued that the whole of issue of CHP/DH would have to wait until the publication of the Marshal Report. This position was also adopted by the Labour Government in response to demands for the implementation of CHP. Although there were some significant innovations energy policy "displayed the same, traditional over-emphasis on nuclear power at the expense of other energy technologies"³⁴. An explanation of Labour's record lay in the composition of the TUC Fuel and Power Industries Committee, and the Labour Party's Energy Sub-Committee, in which the membership essentially "represents workers and unions with understandable vested interests in the *status quo* and the traditional bargaining structures of the major centralised nationalised fuel industries"³⁵. The 1979 election prevented major conflicts from emerging between the two committees. The energy section of the 1979 Manifesto was put together by a small group led by Frances Morrell, Benn's political adviser. Basically the manifesto was pro-nuclear with no mention of CHP/DH. But the appearance of motions increasingly questioning the role of nuclear power at conference, although heavily defeated, indicated that the debate was not resolved.

ENERGY POLICY INNOVATION AND CHP/DH: 1979-83

At the start of this period there was considerable confusion over energy policy. The party had just lost a general election, there were pressures to consider new policies and serious conflicts emerged between the proponents of pro and anti-nuclear energy policy. The first Labour Party policy for CHP/DH was made at the 1982 Annual Conference and was included in the 1983 election manifesto. The development of CHP/DH policy was mainly confined to interplay between the Parliamentary Labour Party (PLP), trade unions, the NEC and Conference. In this period local linkages with the national party changed significantly

³³ *Labour Party NEC Executive Statement 1978 p64, p65*

³⁴ *Porter et al 1986 p69*

³⁵ *Goode 1980 p68-69*

and the most important local impact was made on the development of Labour Party policy for CHP/DH.

Confusion over Energy Policy

The 1979 conference carried a series of confusing and contradictory energy policy composites³⁶. Composite 15 called for an expansion of coal, nuclear and alternatives while Composite 16 called for a debate about energy policy and consultation with the party. Energy was an issue which needed policy development work as Labour's existing policy was not a coherent policy set. There were calls for the development of all forms of energy supply which would have resulted in massive overcapacity. The Environment Study Group argued that "the present policy of the Party and indeed the TUC is not entirely unequivocal"³⁷. In addition the Conservatives were expected to make an announcement about the expansion of the nuclear power programme to which the party needed to respond. Conference called for the NEC to "immediately set up a Working Party to consider the means whereby a future Labour Government would seek to encourage and facilitate conservation of energy".

Pressure was building up within the party to consider CHP. At the conference Tyneside trade unions placed "emphasis.. on the demands for pilot (CHP) schemes and this was projected - along with our other demands - at lobbies of the TUC, CSEU, and Labour Party conferences"³⁸. The union campaign was aimed at ensuring that the trade union movement and the Labour Party adopted policies supporting the implementation of CHP within their broader energy strategies. The unions lobbied the Labour Conference using the Newcastle City Council document on CHP, spoke to Owen, now shadow Energy Spokesman and MPs - Hooley (Sheffield) Cowans and Brown (Newcastle). Owen agreed to further discussions on the subject. However, the Conference energy composites meant "all things to all men (sic)" and failed to make specific mention of CHP³⁹. The Parson unions argued that the party should support the Marshall Reports proposal to establish a National Heat Board as a "minimum first step" and it "should be a significant part of Labour Party energy policy"⁴⁰.

The Energy Sub-Committee eventually produced a Draft Statement on Energy in 1979 which was firmly pro-coal and nuclear. However, the Labour Party Research Department attached a note of reservation to the working document on energy before it was passed to the Home Policy Committee to draw the members attention to gaps in the chapter which

³⁶ See *Labour Party 1979*

³⁷ *Environment Study Group minutes of meeting 14th November 1979*

³⁸ *Corporate Union Committee 1979a p4*

³⁹ *Tement Interview*

⁴⁰ *Corporate Union Committee 1979b*

could be interpreted "as being too pro-nuclear". Trade union officials on the Committee strongly objected to this statement. However, Tony Benn as chair of the Energy Committee argued that the party was now in opposition, it should reflect on its record in Government, engage in open discussion and develop a policy different from the Conservatives⁴¹. The section on nuclear energy was re-drafted to include problems of waste disposal, civil liberties and proliferation. The Sub-Committee also agreed to insert a reference to CHP: "We should commit ourselves to an annual extension of CHP systems"⁴².

In 1979 the Parsons unions built upon their earlier contacts with Newcastle City Council and encouraged the authority to investigate the feasibility of implementing CHP in the area. Newcastle City Council sent a letter to all the local MPs requesting their support in discussions with the DEN who had been informed of the councils interest in CHP⁴³. The authority contacted Owen over the issue and he agreed that he would "certainly push it hard"⁴⁴. The main aim was to seek assistance from the national party for persuading the government to support the Newcastle scheme(see chapter 5).

David Owen, the new Shadow Energy Spokesman, speaking at a SERA meeting stated that energy policy pursued by the previous Labour Government did not need to be "dramatically changed". But there was a need to use the Marshall Report as the "starting point for giving this whole technology a far higher priority than hitherto"⁴⁵. At the District Heating Association (DHA) "Homes from reject Heat" meeting Owen

"committed the Labour Party to whole hearted support of the Marshall committee recommendation(s) and ... noted that there was a broad consensus between the Labour and Conservative parties in progressing towards a viable energy policy and the publication of Energy Papers Nos. 34 and 35 was evidence of that progress. He stated that the Labour Party would give whole-hearted support to CHP/DH, the up-grading of reject heat from power stations to heat homes in Britain, as this system offers the greatest potential for energy conservation and cheaper heating"⁴⁶.

In a later debate on EEC Energy Policy Owen "gave notice that the opposition intended to press strongly on the Marshall Report. The opposition would strongly support a government push on combined heat and power" as there "had been too long a wait". In addition he wanted a

"a statement of Government policy on small, coal-fired power stations which were meant to be phased out. He suggested that refurbishing or replacing of coal-fired stations was an effective way

⁴¹ *Energy Sub-Committee Minutes of Meeting 27th Nov 1979*

⁴² *Labour Party Energy Sub-Committee 1979*

⁴³ *Newcastle City Council files.*

⁴⁴ *Letter Owen to NEI 11th Feb 1980*

⁴⁵ *Owen 1979*

⁴⁶ *DHA 1980 p4*

of helping the power generation industry. It was also the key to a serious policy of combined heat and power⁴⁷.

In 1979 the Tyneside unions secured support from the TUC conference for CHP. The TUC Fuel and Power Industries Committee (FPIC) argued for the implementation of CHP following the publication of the Marshall Report and interest in CHP was spreading more widely amongst the union movement. At this stage the TUC were reviewing energy policy and consulting with Owen as shadow spokesman on the content of policy.

Despite the emerging support for CHP/DH and the linkages developed by the Tyneside local authorities and trade unions the party had no formal policy commitment to the technology. The Party's Shadow Energy Spokesmen made a series of supportive statements in favour of CHP/DH. The TUC adopted a policy in support of CHP/DH despite the inconsistencies with other energy policy commitments. Within the Labour Party there was some confusion over energy policy. There was no policy developed for CHP/DH and there were indications of major disagreements about the future role of nuclear power. However from early 1980 there was pressure to start developing a coherent energy policy which included a commitment to CHP/DH.

The Environment Study Group was directed to focus its work on the development of energy policy and an examination of the nuclear power issue. The Study Group was very supportive of CHP. The Working Document on Energy argued that "we should commit ourselves to an annual extension of CHP systems" on energy savings grounds⁴⁸. While the Draft paper on Nuclear Power and The Environment called for a moratorium on the development of further nuclear power stations. The pro-nuclear Energy Sub-Committee rejected this recommendation. A joint meeting was held in April 1980 between the two Committees and the conflict was temporarily resolved through the production of a statement which raised questions about the role of nuclear power rather than trying to make definitive statement about the risks. In any case the NEC in March 1980 had called on the government to halt the expansion of nuclear power until the other options were investigated⁴⁹.

In response to the 1979 conference motion a consultative document on energy policy "What price Energy?" was sent by the Study Group to all affiliates with a request for comments to formulate a new energy strategy. The report argued that:

⁴⁷ DHA 1980 p5

⁴⁸ Labour Party Environment Study Group 1980

⁴⁹ Labour Party NEC Statement 1980a

"Considerable effort should be devoted to the development of combined heat and power systems - especially for industrial use and community heating prospects. Upon the return of a Labour Government investment capital would be made available through the National Enterprise Board to firms which could manufacture the equipment needed"⁵⁰.

At the 1980 Conference Composite 38 was both anti-nuclear and pro-CHP. The pro-CHP part of the motion had been proposed by the Newcastle Central CLP (see Chapter 5).

"Conference calls for the phasing out of the dependence on nuclear power under public ownership and control of an alternative energy strategy including conservation, coal CHP schemes and a range of alternative energy sources.

Conference

(f) calls for a Heat Board to be set up as soon as possible to facilitate the development of Combined Heat and Power"⁵¹.

This was defeated on a card vote by 2,357,000 to 4,527,000. The motion was supported by the NUM signifying the breakdown of trade union alliance around expansion of both coal and nuclear energy. The NEC tried to prevent a major conflict over the nuclear issue. They argued that the 1979 conference had called for consultation exercise and that there was a need for discussion about future energy policy. During 1980 the Tyneside unions continued to meet with the Northern and North West Group of Labour MPs who asked questions in Parliament about the Governments plans for CHP and arranged meetings with ministers to discuss CHP. The unions lobbied the Labour conference and made a statement to conference seeking support for CHP/DH. But no policy statement in support of CHP was made and some Tyneside unions were critical of the party's failure to push CHP. The Sheffield MP, Frank Hooley, a member of the Energy Committee suggested that the Committee undertook further work on CHP because although

"the 1980 conference rejected a resolution which contained a call for the development of combined heat and power (the resolution was essentially anti nuclear power) the Committee could usefully look at this question. The paper should examine how such schemes could be extended"⁵².

At the 1981 conference Composite 23 opposed nuclear power and called for support for CHP/DH.

"This conference registers its opposition of all nuclear power programmes and recommend that the next Labour Government shall

- a) discontinue the building of further nuclear power stations;
- b) channel financial resources into the development of alternative options for energy supplies;
- c) support the introduction of combined heat and power and district heating schemes as a matter of urgency"⁵³.

⁵⁰ *Labour Party NEC Statement 1980b*

⁵¹ *See Labour Party 1980*

⁵² *Labour Party Energy Sub-Committee 1980*

⁵³ *See Labour Party 1981*

The pro-CHP part of the motion was proposed by Newcastle Central CLP but was defeated by 5,170,000 votes to 1,758,000. There was increasing pressure to develop a policy on CHP/DH when the Energy Committee began work on the energy section of Labour's 1982 Programme.

A resolution submitted from Newcastle North CLP called on the NEC to examine (see chapter 5)

"the comparative costs and jobs created by (a) combined heat and power, (b) Improved domestic, Commercial and Industrial insulation, and (c) alternative renewable sources of energy".

The Southern Regional Council called for an energy policy which included a "policy of energy conservation, involving more efficient energy use and including combined heat and power and district heating schemes". This policy was put forward after contacts between SERTUC and the GLCs Popular Planning Unit and LEEN (see chapter 7).

In 1981 the TUC Review of Energy Policy was published. The TUC policy was drawn up by the 17 unions in the FPIC but only 4 of these unions had no involvement in the nuclear industry. The policy focused on increasing supply and skirted around the issues of ownership and control. The energy demand forecast was argued by some to be totally unrealistic, there was no attempt to focus on alternative scenarios and it simply proposed the expansion of all forms of energy production despite the inconsistencies⁵⁴. The 1981 Policy called for development of two power stations per year and reaffirmed its commitment to a "continuing programme of nuclear power construction"⁵⁵. But there was a significant addition to the 1978 programme: a commitment to CHP.

"the TUC now recognises CHP as a viable development in energy policy based on proven and readily available technology. The promise of a major programme of public works in this area, with the subsequent creation of both jobs and of cheap, efficient heating make CHP an important part of the TUC's energy strategy"⁵⁶

In 1981 TUSIU launched the Jobs for Warmth Campaign to promote the development of CHP at local and national levels. This "caucus of activists" worked "to change Labour party and TUC policy to oust nuclear power and introduce CHP"⁵⁷. An intensive campaign for the implementation of CHP in the Labour Party was developed (see chapter 5). Model resolutions calling on the Labour party and trade unions to adopt supportive policies for CHP were sent to Constituency Labour Partys (CLP), District Labour Partys (DLP) and trade

⁵⁴ See Elliott 1981, Sweet & Coote 1981

⁵⁵ The TUC had maintained a commitment to nuclear power since the 1973 Fuel and Power Policy document, reaffirmed in the 1977 Statement to the Energy Commission.

⁵⁶ Porter et al 1986 p76

⁵⁷ Atkinson 1982 p19

unions. This resolution was submitted as an emergency resolution to the 1981 conference by Newcastle Central CLP.

However, as a result of this motion TUSIU was invited by the Research Department to send a representative to the Labour Party Energy Sub-Committee assist in the development of Labour policy on CHP. Membership of the Committee was limited to Labour party members and as the main organiser of the TUSIU campaign was a member of the Socialist Workers Party, David Baillie who had an interest in energy issues and worked with TUSIU was appointed instead.

In January 1981 the first paper on CHP was presented to the Committee⁵⁸. Rather than trying to argue about the benefits of and problems with CHP/DH the report stated that the Marshall Report had already concluded that CHP could be the cheapest long term method of providing heat in cities. CHP/DH was sold in terms of energy savings and its "significant impact on employment in the civil engineering and public sector". The report outlined the DEN's programme and the work of the London Borough of Southwark. The paper focused on the key issues of funding a scheme and the organisational coordination which would need to be secured between the institutions involved in implementing a scheme. The following policy recommendation was made:

- "a) the present "Marshall" programme, of selecting two locations and conducting a government financed detailed feasibility study into each, should be completed;
- b) assuming that the practical application of CHP is found feasible, ensure that sufficient funds are made available from Central Government (calling on any money available from the EEC) for the development of suitable CHP schemes;
- c) create the organisational framework necessary to co-ordinate the various authorities involved, with amendments to statutory requirements if necessary". p3

The Committee did not reach a decision on these recommendations. During 1981 Baillie argued that there was a "need for a specific paragraph on CHP in Labour's Programme" and that employment and social considerations should play a major role in Labour's energy policies⁵⁹.

In 1982 the committee agreed that CHP "merited a separate and expanded section on it's own"⁶⁰. In March 1982 Baillie prepared a paragraph on CHP/DH for the draft energy chapter of Labour's Programme⁶¹. Significantly in the draft Baillie argued that support for CHP was already existing policy in Labour's Programme 1976. This tactic was used to gain support for CHP as the 1976 statement implicitly supported DH, but not with CHP. In May

⁵⁸ *Labour Party Energy Sub-Committee 1981*

⁵⁹ *Baillie (nd)*

⁶⁰ *Minutes of Meeting*

⁶¹ *Labour Party Home Policy Committee 1982*

the Committee the final draft of the CHP chapter was agreed with a minor amendment - and the inclusion of a paragraph on metering issues. Labour's Programme 1982 stated:

Combined heat and power

A valuable part of our programme to meet the urgent need for affordable fuel and to create secure employment will be the development of Combined Heat and Power with city-scale district heating. By distributing the waste hot water from urban power stations through district heating networks, an energy efficient source of domestic heating will become available to millions of consumers.

Labour will ensure that all new district heating schemes will incorporate accurate heat meters and effective consumer control devices. New metering and control technology developments and extensive continental experience could prevent all the consumer problems associated with District Heating Schemes. This means that CHP can be used by the next Labour government as part of an attack on the chronic fuel poverty, cold conditions and condensation problems faced in urban areas.

Replacing existing power-only turbines with CHP sets will provide a much needed continuous ordering programme, and hence secure employment in the hard-hit power engineering industry. Installation of district heating networks will also create employment in the construction industry, without requiring workers to make disruptive moves to distant green-field sites. To develop CHP in the nine cities at present under consideration would involve expenditure of £4.5 billion over ten years. Against this will be set major savings to the country through increased employment and fuel efficiency⁶².

TUSIU were able to state that their local representative on the Labour Party NEC Energy Sub-Committee had "been partially responsible for the inclusion of CHP/DH in Labour's Programme in 1982"⁶³. It was adopted by the 1982 Conference and comprised the party's most detailed statement on CHP⁶⁴. At the May meeting Baillie again presented a paper on CHP/DH which outlined a series of issues "which have received little recognition in the Labour movement"⁶⁵. This paper identified many of the crucial issues which Baillie felt had not been covered by the CHP policy statement. But Baillie was constrained by trade unions members of the Committee who clearly associated CHP with anti-nuclear energy policies. Baillie argued that:

- there is lack of awareness in the Labour movement of the social consequences of fuel policy;
- Labour movement energy policies have tended to ignore the wider employment issues of fuel choice, and;
- the institutional issues have been omitted from what little CHP debate has taken place.

CHP/DH could prohibit affordable heat to help solve fuel poverty and provide employment benefits in urban areas where they are most needed in the construction industry. It was suggested that a £500M 1GW CHP programme would create 2,000 jobs compared to 1,200 jobs created by a £1,000 M 1GW PWR programme. The solution to the problem of institutions was

⁶² *Labour Party 1982b p64-65*

⁶³ *TUSIU Application for Grant Aid, Report to Tyne and Wear MCC Economic Development Committee 2/2/83.*

⁶⁴ *Labour Party 1982a*

⁶⁵ *Labour Party Energy Sub-Committee 1982*

"the re-introduction of municipally owned and controlled power stations. It is hoped that the institutional reforms to allow for this major step towards accountable fuel supply systems would be part of any Labour energy programme in government. Another alternative is the co-operative ownership of a CHP/DH network by the local community"⁶⁶.

Baillie argued that evidence from other countries demonstrated that CHP was economic, environmentally acceptable, a solution to the problem of fuel poverty and unemployment but that "its importance to a socialist energy programme is still not recognised by the Labour movement". The main constraint was "due to different unions advocating conflicting policies, understandably protecting the short-term interests of their members"⁶⁷. It was recommended that the Labour Party: "Incorporate a commitment to democratic and locally controlled Heat and Power stations by a future Labour administration"⁶⁸. The committee discussed the paper and some criticism was raised about the cost disruption and long time scale of CHP implementation. But: "In the main, however, the paper was welcomed and a number of members expressed support for a CHP programme"⁶⁹. It was agreed that the paper be should be "widely distributed in the party" although it is not clear if this happened, but there was no danger of the proposals becoming policy. However at the 1982 conference the Energy Chapter was passed at conference including commitment to CHP/DH.

During this period there was increased support for CHP/DH. John Smith took over in 1982 as Energy Spokesman. In a review of Labour Party energy policy Smith made no firm policy commitments but indicated that Labour would develop all forms of energy supply⁷⁰. However Smith recognised there were "possible" new technologies to consider and better use could be made of existing resources as

"we already waste a great deal of heat from power stations which simply vanishes into the atmosphere. the imaginative use of combined heat and power systems in the context of district heating will be an essential part of Labour's programme. There are obvious difficulties in fitting some of these schemes into existing built-up communities, although scope exists there also. For new developments - new towns, redevelopment areas, new public and private housing developments - the possible use of combined heat and power should be considered at the early planning stage"⁷¹.

But Smith did not discuss how the technology would be implemented, the costs involved or which cities would be developed first. In November 1982 the Conservatives introduced the Energy Bill as a measure to allow private sector participation in the nationalised electricity supply industry to encourage competition and reduce a public sector monopoly. GLC

⁶⁶ *Labour Party Energy Sub-Committee 1982 p2*

⁶⁷ *Labour Party Energy Sub-Committee 1982 p2*

⁶⁸ *Labour Party Energy Sub-Committee 1982 p3*

⁶⁹ *Minutes 25th May*

⁷⁰ *Smith 1983 p52*

⁷¹ *Smith 1983 p53*

officers were authorised to seek amendments to the Bill to allow "the same facilities as respects freedom to produce and sell electricity as applied under the Bill to private supplies and ensuring that the tariffs published by private suppliers and by electricity boards are readily understandable by potential consumers". These were drafted and sent to John Smith who tabled all of both amendments to the Bill (see chapter 7).

In early 1983 when it became clear that the election was imminent there was more pressure to formulate a policy on nuclear power. In a statement, produced by the Energy Sub-Committee and the Environment Study Group, the NEC opposed the construction of the PWR. "The Labour Party does not believe that any planning application to build a PWR in this country should be granted". Instead it was argued that any increase in electricity demand would be met by "extra coal burning power stations (CHP or electricity only) in accordance with our plans to improve the coal industry"⁷². It was argued that the resources devoted to the PWR should be redirected to other alternative energy options including CHP/DH. However, the Environment Study Group remained firmly committed to an anti-nuclear position. The background paper argued that: "We will build no more nuclear power stations". Instead it proposed an alternative strategy based on renewables, coal and conservation. CHP/DH played an important role in this alternative option:

"The Party should commit itself to the maximum possible support of the nine schemes already developed linking to the work with local heat conservation projects and initiating further studies throughout the country.

Indeed, it should be a matter of policy that future expenditure on electricity-only plants should not be sanctioned until the possibility of providing the electricity from CHP schemes have been fully considered.

What the CHP industry needs above all is an institutional champion to forcefully present its case at the highest decision making levels, that will be provided in the form of Labours Energy Conservation Agency.

Additionally there needs to be a review of the institutional arrangements to allow local authorities to authorise municipal CHP schemes. ...Local authorities might productively be involved in local heat utility boards which would approach the CEGB and then with proposals for local heat use schemes"⁷³.

The main report argued that there is no need to build further nuclear power stations and supported a £4.5 billion programme to implement in the nine cities with effective tenant controls⁷⁴. There was a conflict between the anti-nuclear proposals and the strongly pro-nuclear line adopted by the Energy Sub-Committee. The disagreements between the two committees were supposed to be resolved at a joint meeting in March 1983.

⁷² Labour Party NEC Statement 1983

⁷³ Labour Party Environment Study Group 1983a

⁷⁴ Labour Party Environment Study Group 1983b

In early 1983 the major issue of concern for trade unionists was the Environment Study Group reports on nuclear power which was firmly anti-nuclear. The joint meeting between the two policy-making committees was cancelled by the NEC⁷⁵. The Environment Study Group report was suppressed by MPs and union officials as "its radical nature..caused intense misgivings among senior party advocates of nuclear power". The Energy Sub-Committee members included "influential pro-nuclear power figures"⁷⁶. The Home policy Committee was chaired by John Golding representing a pro-nuclear union. The Environment Study Group condemned the behaviour of the Energy Sub-Committee for "rejecting its approach entirely and failing to propose amendments". They also noted the late insertion in the Campaign Document of a reference to "the need for a continuing nuclear programme based on the British AGR" which they felt was a crude attempt to pre-empt the discussions on the draft statements. However the manifesto did include the following commitment on CHP/DH

As outlined in Labour's Programme 1982, we will:

- Assist major towns and cities to set up combined heat and power schemes⁷⁷.

The Committees agreed to meet in June 1983 and Baillie prepared a paper which attempted to resolve the conflict between the two sides⁷⁸. The role of nuclear power was not mentioned the aim was to demonstrate that radical alternative energy policies made economic sense and would create jobs. However the meeting was cancelled until the Home Policy Committee met to discuss the work of the Research Department.

REGIONALISATION, MUNICIPALISATION AND CHP/DH: 1983-87

The third period of CHP/DH policy formulation has a number of key distinguishing features from the previous phase. The NEC policy formulation sub-committees including the Environment Study Group were abolished by Neil Kinnock on assuming the Labour leadership. Although most of the sub-committees were replaced by joint TUC-Parliamentary Committees the Energy Sub-Committee had no direct replacement. A wider range of Labour local authorities attempted to influence national Labour Party policy. However in the absence of an energy policy-making committee the linkages took place through new institutions and with a wider variety of national party institutions. As national Labour Party energy policy supported the development of CHP/DH the local demands focused on the form of that commitment. Finally, there was much more local authority interest in

⁷⁵ *Letters and Internal Documents*

⁷⁶ *Times 1983 Nuclear split unhealed, April 13th 1983.*

⁷⁷ *Labour Party 1983b p15*

⁷⁸ *Labour Party Energy Sub-Committee 1983*

developing the linkage between CHP/DH and other policy issues. The key feature of this phase was the attempts by local authorities and joint initiatives to push through a national Labour Party policy commitment for the municipal development of CHP. This was particularly significant between 1985-87 in both energy policy and other policy arenas.

Energy Policy - Miners strike: 1983-85

There was little energy policy development in the two year period after the 1983 general election. There were no policy formulation mechanisms in place and the Party's attention was focused on the miners' strike⁷⁹. After the general election Orme became Shadow Energy Spokesman. At the 1983 Conference the pro-coal Composite 9 called for the next Labour government to redirect investment "away from the nuclear power programme which is costly and dangerous, towards the coal industry with its vast potential for safe and cheap energy supply"⁸⁰. With the increasing build-up of anti-nuclear support amongst trade unions and CLP's the NEC recommended acceptance of this motion. The Labour Party and the TUC were both still avoiding difficult choices and sticking to policies which called for the expansion of coal, oil, gas, nuclear and renewables.

Over the period 1983-85 the CHPA had a number of meetings with Labour MP's, Stan Orme Shadow Energy Secretary and the Parliamentary Labour Party Energy Committee (see chapter 8). Linkages were usually developed to try and encourage the Government to make decisions on the Atkins programme and provide support for CHP. Councillors and MPs in Newcastle and Sheffield played an important role in setting up these meetings. In November 1983 the CHPA and the NCHPLG led by Councillor Gill of Gateshead launched a leaflet and exhibition on CHP/DH for MPs. Neil Kinnock was apparently supportive of CHP/DH:

In my opinion Combined Heat and Power offers one of the best opportunities for energy utilisation and community welfare that has come forward in this country for decades. Its implementation in our major conurbations would encourage the revitalisation of the inner city areas and could provide environmental advantages for every section of the community. The benefits for industry would be considerable with an ideal opportunity for increased employment to increase our overall standard of living. The waste of energy that takes place in our power stations every day equates to a loss in balance of payment terms exceeding £2 billion per year. Earlier this year the Select Committee on Energy made very specific recommendations but the Government's energy programme has completely ignored the single greatest means of conservation, namely CH & P. The Labour Party is committed to energy conservation as a means of economic regeneration and of reducing domestic and industrial heat and light costs. I wish the Combined Heat and Power Association every success.⁸¹

⁷⁹ For instance Orme "endlessly patient, shuttled between the two sides with formulae", he prepared draft agreements and worked at getting a negotiated settlement. See Adeney and Llyod 1986 p.194, 214, 294. The miners strike was seen as a lost year by Kinnocks advisers

⁸⁰ Labour Party 1983a

⁸¹ Combined Heat and Power Association 1983

It was not clear from this statement what the party's commitment to CHP/DH actually entailed. The Labour MPs MacWilliam and Cowans from Tyneside were present. MacWilliam agreed to ask questions in Parliament, and Councillor Gill drew up a list of questions for Orme to ask in the Commons. It was agreed that an information sheet on CHP would be sent to all Lead City MPs and Gill attempted to organise a teach in on CHP for Labour MPs in January 1984. In early 1984 a meeting was held between the PLP Energy Committee and local authorities to discuss the pressure that the Labour Party could place on the Government to implement CHP. This was an all party affair with Orme and other Lead City MPs of both parties present. The NCHPLG recognised that better links with MPs were needed and they wanted to organise an all-party members CHP Group which they would service.

The Labour Party Energy Committee invited the Lead City Councils to make a presentation on CHP early in December 1984. Thirteen MPs attended the meeting including Brown from Newcastle and Cabourn from Sheffield. The GLC, LB Southwark, Newcastle and Sheffield were represented by Councillors and officers. Orme argued that the Labour Party already had a manifesto commitment to CHP but the Energy Committee "did not feel that it would be appropriate to form an all-party CHP group because of the differing views within parties on implementation and the use of private capital"⁸². However to take work further the group needed a paper from the NCHPLG on the strategy MPs should adopt in taking forward CHP. The meeting was useful for the NCHPLG in briefing MPs and "being assured of their support for CHP development"⁸³. There was a commitment to raise the issue in the House by written and oral questions and a member of PLP would attend the next meeting of the NCHPLG. It was subsequently agreed by the Energy Group that two MPs, Peter Hardy, and Terry Patchett would attend meetings of the NCHPLG but neither was able to attend subsequent meetings although they asked to be kept informed by copies of minutes.

The LB Southwark Councillor Geddes and GLC Councillor Hart arranged meeting with Orme to discuss Labour Party strategy on CHP(see chapter 7). Both Councils were aware of the national party's policy of support for CHP and their own proposals were to some extent seen as part of this policy. They arranged a meeting with Stan Orme Shadow Energy minister to seek guidance on :

- role of privatisation elements in the Governments proposal,
- on what terms CHP should go ahead
- the need for a Labour party Pro-CHP Campaign,

⁸² *Minutes of Meeting*

⁸³ *Minutes of Meeting*

- improve DH's bad image

They sought an "agreed and understood Labour Party philosophy". This was not a very useful meeting for the local authorities. Orme was very reluctant to support the pro-CHP elements in Parliament and it was an issue which in London he certainly did not want to push⁸⁴. However he was not in a position to be able to deliver tangible support. Although the party had a policy supporting CHP/DH they did not have the staff resources or expertise to draw up detailed policies including the necessary changes in legislation.

The 1984 Annual Conference was overshadowed by the miners' strike. The NEC presented a statement, "A Future for British Coal", which proposed supportive policies for the coal industry based on the Plan for Coal. There was no mention of nuclear power. But the document stated

"we also believe that research into technologies which make full use of the potential for coal - such as the liquification and gasification of coal, and fluidised bed combustion - should be stepped up urgently; and that the potential of combined heat and power schemes should be fully exploited"⁸⁵.

This was supported by the conference. At the same time further pressure increased against nuclear power. Composite 65 condemned the use of nuclear power and called for a "freeze of all further development of Britain's nuclear power stations and reprocessing industries". It called for a research programme assessing overall energy needs to formulate a long term energy policy based on the development of Britain's fossil fuel and renewable resources "coupled with the development of CHP systems". The NEC opposed this Composite and the motion was lost.

Between 1983-85 the main problem was the lack of any clear Labour Party energy policy-formulation mechanisms. Despite pressure on the party there was no attempt by Orme to develop an energy policy. Orme had not

"even set up a joint national executive/parliamentary party policy committee on energy, as it has done for virtually every other important policy area since 1983. The need to devote scarce resources to campaigning rather than policy development is indisputable, and the prolonged illness of the energy spokesman Stan Orme unfortunate, but can either be accepted as an excuse for not starting to work out a sane and practical energy policy?"⁸⁶.

Consequently although local authorities working individually and through the CHPA attempted to influence policy there was policy-making mechanisms in place. It was not until 1985 that there was a series of energy policy initiatives which included CHP/DH. CHP/Dh was also raised as an issue in other policy arenas.

⁸⁴ *Geddes Interview 1987*

⁸⁵ *Labour Party 1984*

⁸⁶ *Edwards 1985 p14*

Energy Policy - Shifting towards an Anti-nuclear position: 1985-87

After the end of the miners' strike there was increasing pressure on Orme from CLP's, trade unions, the Parliamentary Party and local authorities to begin developing energy policy. The development of energy policy was dominated by the debate about the future of nuclear power with pressure on the party to consider an alternative energy strategy which incorporated a commitment to local authority led CHP/DH. Eventually in May 1985 Orme accepted that the party's energy policy "was not too detailed" and made a commitment to develop an energy strategy for the next Labour Government⁸⁷. The new policy was to be based on a new Plan for Coal with coal fired power stations given priority. A nuclear contribution and renewables were not seen as a major option. However the party would "want to build combined heat and power plant to burn coal in inner cities" which was seen as a key to cheap energy and the consumption of an extra 30 million tons of coal a year. The party wanted "all nine of the best CHP cities would go ahead, partly because CHP would provide huge amounts of work in steel, engineering and construction"⁸⁸. But Orme said little about the institutional mechanisms through which CHP would be implemented.

The first call for a phase out of nuclear power came at the 1985 conference in Composite 70 which called "for a halt to the nuclear power programme and phasing out of all existing plant" and the development of coal renewables and energy conservation to protect employment⁸⁹. There was no mention of CHP. The motion was carried mainly because of TGWU support against the advice of the Labour Party NEC who called for its remission. But it was not carried by the crucial 2/3 (3,902,000-2,408,000) so it was not incorporated in to party policy.

Labour MPs continued to speak in the Commons about the advantages of CHP. For instance in the debate on Alternative Sources of Energy (25th October 1985) Alex Eadie a shadow Energy Spokesman, spoke in favour of CHP on cost savings, job creation and energy saving grounds⁹⁰. In November work was progressing on the new Plan for Coal against the background of the miners' strike which ended in 1985. The aim was to maintain coal output through a series of measures including: "A major programme of combined heat and power stations beyond the three Lead City pilot schemes, using combined cycle technology to increase efficiency and reduce pollution"⁹¹. At this time Sheffield City Council was considering the use of this form of technology and through the Council's link with the

⁸⁷ Orme 1985 p17

⁸⁸ Orme 1985 p17

⁸⁹ Labour Party 1985a

⁹⁰ Parliamentary Alternative Energy Group (PAEG) Newsletter Dec 1985 p3

⁹¹ Labour Party 1985b p6

NUM combined cycle technology were incorporated into the national party policy agenda (see chapter 6). The plan was ambiguous about the institutional framework and whether conventional coal fired or CHP power stations would be built. For instance the draft policy stated that

"increased economic growth would have the most direct effect on increasing coal consumption by power stations: a new programme of coal burning power stations, CHP stations with all new stations to be equipped with pressurised fluidised bed combustion (PFBC)"⁹².

In an interview in March 1986 Orme argued that the Labour Party would "encourage" CHP as the Government had adopted a "low key an approach"⁹³. After the Chernobyl disaster in 1986 the Shadow Cabinet was forced to make a clear statement about the party's policy for nuclear power. In May 1986 the Shadow Cabinet published a summary of its position, stating that: "Britain's dependence on nuclear energy will be reduced as part of a co-ordinated and planned energy policy". There were no details about how this objective would be achieved. However any "additional generating capacity which may be required under the next Labour Government will be met by ordering coal fired power stations. Wherever appropriate combined heat and power systems will be built"⁹⁴. It was not clear what the "appropriate" criteria were for the development of CHP and there was no outline of the institutional frameworks for implementing CHP. In mid 1986 the Chair of the Labour Party Energy Committee wrote to the CHPA and stated that

"As Chairman of the PLP Energy Committee, I can say that my colleagues and I generally favour such a (CHP/DH) programme. The party expressed this view in its 1983 Manifesto and I expect we shall maintain this position. Certainly I shall seek to ensure that it does so"⁹⁵.

However there were conflicting signals about the party's commitment to CHP. For instance Orme argued that "all future power stations should be coal"⁹⁶ and in an interview Kinnock argued that "Labour will restore British coal as the prime source of British electricity supply. Any additional power stations ordered by the next Labour Government will be coal fired"⁹⁷. It was not clear whether these would be conventional or CHP coal-fired power stations. Kinnock also stated that the "interest is in producing proposals for the next Labour Government that can be feasibility and realistically implemented in a five year period". Given the long time scale of CHP/DH's implementation this indicates that policy would focus on more short term measures such as the construction of conventional power stations.

⁹² *Labour Party 1985b p7*

⁹³ *Orme 1986 p3*

⁹⁴ *Labour Party 1986b p3*

⁹⁵ *Hardy MP letter to CHPA*

⁹⁶ *Guardian 9/6/86*

⁹⁷ *New Socialist July 1986*

At the 1986 conference there were over 200 resolutions on the nuclear power issue. Two anti-nuclear statements were adopted the crucial difference being the timescale for phasing out nuclear plant. However CHP/DH also played an important role in the development of alternative power sources to nuclear energy. Composite 63 called on the next Labour Government to liaise with local authorities to develop CHP/DH.

"Conference calls (instead) for the next Labour Government to invest heavily in and to create jobs by:

c) liaising with local authorities to develop combined heat and power for urban areas;"⁹⁸

This seemed to indicate that the Labour Party should create a national policy framework that would assist the municipal development of CHP. During the debate a speaker from the floor mentioned CHP for the first time at conference

"We want a major re-expansion of the coal industry, with coal miners re-employed, two new coal fired power stations ordered immediately, and nuclear workers transferred into heat and power stations that regenerate Sheffield, Edinburgh and so many of our cities that so badly need regeneration".

The motion received NEC support on the basis that the nuclear phase out period was over at least 4 years. However, Composite 63 indicated that the phase out should take place over the live of "the next Labour Government" which implied 4 years. Although the motion was carried it was just 24,000 votes short of the 2/3 majority needed for inclusion in the manifesto. The NEC proposals were for the phasing out of nuclear power over 20 years or the 40-50 years suggested by the Shadow Environment Spokesman John Cunningham. The NEC proposals included the following reference to CHP:

"Combined Heat and Power (CHP): These schemes promote energy efficiency by removing much of the energy that is lost in the conversion of steam to electricity. Where appropriate, therefore, we will develop such schemes based on coal fired stations"¹⁰⁰.

However there was again no indication of the criteria by which the "appropriateness" of CHP would be assessed. The NEC's statement was carried and once conference established principle of an anti-nuclear energy policy the argument focused on the timescale of phasing out.

During this period of energy policy development there were a series of closer linkages between the case study authorities and the national party over CHP/DH. From 1985 the Tyneside authorities, and Newcastle in particular, developed closer linkages with the national party. Between 1985-87 Newcastle City Council was forced to remain in the consortium assessing CHP which they really believed had very little chance of being

⁹⁸ *Labour Party, NEC Statement, 1986.*

⁹⁹ *Labour Party 1986a p73*

¹⁰⁰ *Labour Party 1986c p33*

implemented. The authority expected the only way CHP would be implemented in Tyneside was with the support of a Labour Government¹⁰¹. In response they pursued their links with the national party in two ways. Newcastle financially and politically supported the work of TUSIU that was responsible for formulating the demands, before the 1987 election, for the construction of a new power station in the North East (see chapter 5). TUSIU would have been unable to develop this campaign without the support of the local authorities, as the trade unions were both financially and politically unable to carry out the detailed research and campaign work¹⁰². Without local authority support it was unlikely that the demands for new power station construction would have been included in Labour 1987 Energy programme. Throughout 1985-87 Newcastle organised press releases, responded to government announcements, produced documents on CHP, and attended annual party conferences towards "ensuring the major political parties build into their programmes an effective commitment to CHP"¹⁰³. In 1986 they were represented at the Labour Party conference where Blunkett was the key note speaker. Direct linkages were developed with the AMA over DH policy. Further meetings were held with the PLP Energy Committee and Shadow Energy Spokesmen Orme and Prescott.

The demands focused on the development of alternative energy policies which would provide work for the power engineering and coal mining industries particularly through the construction of new coal fired power stations in the region. These demands were aimed at the Labour Party in opposition. The Labour front bench energy team were closely involved in the launch and promotion of many of these reports. For instance Orme launched the Case for Coal document in February 1986 and promised to prepare a new plan for coal and "support for the extension of CHP schemes"¹⁰⁴. Orme renewed calls for the ordering of two coal fired power stations and wrote an introduction to "Energy and Employment" in which he advocated the ordering of two new coal fired power stations in "line with Labour's policy". Links were maintained with Newcastle MPs who used the documents to campaign for the development of a coal fired power station in Parliament. This included Nick Brown MP (Newcastle East), an Opposition Energy Spokesman and Ronnie Campbell MP (Blythe Valley) who asked questions in Parliament for a new coal fired power station to assist NEI and raise local colliery output¹⁰⁵.

The aim of all these reports, meetings and discussions was to gain a commitment from the national Labour Party before the 1987 election to build a power station in the North East.

¹⁰¹ *Councillor Russell Newcastle Journal 6/8/85 p6*

¹⁰² *Thorpe Interview 1988*

¹⁰³ *Newcastle City Council 1985*

¹⁰⁴ *Press Release 4th February 1986*

¹⁰⁵ *Newcastle Journal 21/11/87*

"All our efforts at this stage were into putting things on to the agenda for an election"¹⁰⁶. Although the trade unions and local authorities recognised that in terms of job creation and wider economic and social benefits CHP was a better option than conventional coal fired power stations, CHP would take longer to develop. Consequently because of the time scale, coal use and acceptability issue the demands focused on seeking a commitment to build conventional coal fired power stations¹⁰⁷. In 1986 the Tyneside Unions won a clear policy commitment from Orme and then Prescott to develop a coal fired power station in the North East on jobs, industrial and regional policy grounds. At the 1986 conference Orme mentioned the commitment to develop two new coal-fired power stations. This was contained in a formal policy document produced by the regional party "The North Can Make It".

Both CLES and SEEDS examined energy issues through the publication of reports presenting model local energy policies (see chapter 8). The Report argued that local authorities should develop local energy policy proposals, including CHP/DH which they could implement with the assistance of a future Labour government. The SEEDS report developed a regional energy strategy for the SEEDS member authorities¹⁰⁸. The two reports argued strongly for a national energy policy framework that would allow local authorities to develop municipal CHP/DH schemes.

The Charter for Energy Efficiency produced a series of energy policy documents in collaboration with particular local authorities, mainly LEEN and Newcastle City Council. The policy documents were explicitly aimed at developing national energy policies for the opposition parties and the Labour Party in particular (see chapter 8). These reports progressively developed more detailed proposals and policies for a national energy policy framework that would have allowed local authorities to implement CHP/DH. The Charter publications outlined the need for regional and local energy plans, identified the national policy constraints on CHP/DH and drew up detailed proposals for an Energy Efficiency Agency which would support the implementation of local authority led CHP/DH (see chapter 8). The clear aim of all these initiatives was to develop at national, and regional level in London, an energy policy for the national Labour Party. These documents were launched at Labour Party conferences and used in meetings to lobby Shadow Energy Spokesman. The proposals for CHP clearly built upon the policies developed by the three case study authorities and sought to develop a national energy policy framework within which councils could successfully implement CHP.

¹⁰⁶ *Thorpe Interview 1988*

¹⁰⁷ *Thorpe, Green and Tement Interview 1988*

¹⁰⁸ *SEEDS 1986*

Municipalisation of CHP/DH - Linking to other Policy Issues: 1985-87

After the end of the miners' strike policy development work picked up and a series of initiatives was launched which although not explicitly focused on energy issues did pick up on local authority promotion of CHP. Three sets of related initiatives can be identified.

The first initiative was in January 1985 when the Labour Party launched the Jobs and Industry Campaign to convince a sceptical electorate that the party had a credible industrial and employment strategy. The main themes of the campaign were set out in "Labour Working Together for Britain". This document was based on the policies set out in "A New Partnership - A New Britain" "Investing in Britain" 1985 and a "A Future that Works" 1984. These main campaign documents were produced by the TUC - Labour Party Liaison Committee comprising representatives from the TUC, PLP and NEC and were adopted at the TUC and Labour Party Conferences in 1985. A number of the proponents of local socialism were represented on these committees including Prescott and Blunkett. Although Orme was a member of the Committee none of the documents mentioned energy policy in any level of detail. The main policy documents echoed local Labour council policies very strongly.

"Local government will have a key role to play in our public investment programme. ...This will mean giving local government the powers they need to serve their communities. A partnership of central and local government will also help get Britain working again; and we hope that local authorities will have expansion plans ready for when the labour Government takes office"¹⁰⁹.

Additional campaign documents were produced including the Charters on Local Enterprise, The Environment, Industrial Strategies for the motor industry and textiles and locally produced Regional and Industrial Plans. The main focus was on jobs and industry policy and the key themes were investment and partnership. Although the importance of local enterprise is mentioned in the main campaign documents but developed further in the other campaign documents. CHP/DH is mentioned a number of times but only in terms of linking to other policy areas as no mention of energy policy. For instance CHP/DH is mentioned as one technology that could be used as a job creation tool¹¹⁰. The Local Environment charter sets out proposals to promote sustainable growth, prevent environmental pollution and damage, and increase democratic control over the environment by a variety of measures. This includes:

"Elsewhere we have set out proposals:

energy, to give priority to energy conservation measures, introduce combined heat and power schemes and increase investment in renewable sources of energy"¹¹¹.

¹⁰⁹ *Labour Party Jobs and Industry Campaign 1985b* p19

¹¹⁰ *Labour Party Jobs and Industry Campaign 1985a* p20

¹¹¹ *Labour Party Jobs and Industry Campaign 1985d* p12

On recycling:

"waste can be used to provide heat and energy, through using incinerators or using waste to produce fuel pellets. There is also considerable potential in combined heat and power schemes - using waste heat from power stations to heat local homes and workplaces"¹¹².

But it is not clear within which institutional framework CHP/DH would be implemented. There was a reference to energy policy which "is set out elsewhere" but none of the policy documents produced develop any energy policy. The Charter for Local Enterprise referred to the lost tradition of municipalisation when local councils were responsible for local energy production¹¹³. This Charter outlined the types of local economic policies implemented by Labour local authorities and the national policies required to build on and support these policies. However energy is not specifically mentioned in the report.

The Labour Party Yorkshire and Humberside Regional Executive composed of TUC, local government and party representatives produced a Regional Charter. The plan only had the status of a consultative document as the regional structure of the party does not have a formal policy-making role (see chapter 1). One of the main aims of the plan was "to develop practical policies for the next Labour government"¹¹⁴. Councillors and officers from the Sheffield Employment Committee and DEED played an important role in the production of the plan which contained a wide range of policies and initiatives which built on the Sheffield experience (see chapter 6). CHP/DH was involved in the plan in proposals for a sectoral plan for the coal industry and for new forms of regional government with responsibility for power supply. These proposals were an attempt to link local policies for CHP/DH with potential national party policies for the coal industry and development of new forms of regional government with responsibility for power production. This type of linkage concerned with the form and content of Labour Party support for CHP/DH was an important feature of this phase of national policy development. Consequently CHP was linked to local employment creation, environmental improvement and regional jobs plans. But it was not clear what status these policy documents had or about the detailed nature of their implementation.

The second initiative was the development of an Employment Plan. In September 1985 John Prescott, Opposition Employment Spokesman, published a report on employment creation. Labour local authorities had a large input in the production of the report which echoes many themes of local authority initiatives. Officers and councillors from the GLC

¹¹² *Labour Party Jobs and Industry Campaign 1985d p12*

¹¹³ *Labour Party Jobs and Industry Campaign 1985e*

¹¹⁴ *Labour Party Jobs and Industry Campaign 1985f p3*

were represented on the Employment policy working group. The proposals drew heavily on local authority experience. It was argued that (see chapter 7)

"The GLC's London Industrial Strategy and other Labour Councils' contribution to the Party's regional consultative plans launched under the Jobs and Industry Campaign are good examples of how local experience relates to wider economic strategy"¹¹⁵.

The report provides a case study of the new approach to sector and regional planning on the coal industry. The report argues that local authorities can make a contribution to planning in the industry through the Coalfields Community Campaign. This includes contributing to definition of problems and formulation of policy for the industry and the development of new markets.

"Several local authorities including Sheffield and Newcastle are carrying out detailed studies on the feasibility of combined heat and power systems. Sheffield City Council is investigating a coal based scheme. It has been discussed with the NCB and its pension fund trustees as a potential long term investment.

The process of planning the coal industry is strengthened and enriched by these local and regional inputs. They could complement the national sectoral planning process through the NCB"¹¹⁶.

Local authority development of CHP/DH was seen as a regional and local component of plans for the expansion of the coal industry. Sheffield did approach the NUM in 1983 to investigate the potential for NUM pension fund investment in a coal-fired CHP scheme (see chapter 6). The NUM had a policy commitment in support of coal-fired CHP but were unable to invest in the Sheffield scheme due to restrictions on pension fund investment. But the linkage remained and the NUM was supportive of the Council's attempts to implement a coal-fired scheme therefore the proposal linking coal to CHP/DH were incorporated into the Regional and Employment plans.

The final initiative was the development of Local Jobs Plans. From 1986 John Prescott further developed employment policy by working with local authorities to produce Local Jobs Plans. The local authority plans were prepared in response to calls from Labour's NEC, the Shadow Cabinet and Neil Kinnock at the 1985 Local Government Conference to create plans for speedy implementation following the election of a Labour Government. These proposals clearly built upon an Alternative Regional Strategy and Planning for Full Employment and the Jobs and Industry Campaign. The 1985 Labour Party policy document "A New Partnership: A New Britain" argued that they hoped "that local authorities will have expansion plans ready for when Labour Government takes office"¹¹⁷. Consequently the

*employment team, together with a number of party members, published a major report, *Real Needs - Local Jobs*, which developed the arguments in *Planning for Full Employment*, and detailed

¹¹⁵ *Parliamentary Spokesmans Working Group 1985 p20*

¹¹⁶ *Parliamentary Spokesmans Working Group 1985 p26*

¹¹⁷ *Labour Party Jobs and Industry Campaign 1985b*

the role of the local authorities in Labour's job creation programmes. It was launched at the party's local government conference in Leeds and assisted in the development of dozens of local authority jobs plans, the launch of many of which John Prescott and other members of the team attended. These plans provided detailed estimates of the types of jobs, the cost and their specific contribution to the party's one million jobs package"¹¹⁸.

Real Needs-Local Plans set out the national policy changes required to support the implementation of local plans. It is argued that:

"In the last few years, local councils, especially where Labour controlled, have been at the forefront of developing innovative economic policies.

They have commissioned authoritative research on contentious areas of government economic policy - on energy, on cable and on privatisation.

These experiences give Labour in government a wealth of experience on which to build. And leave local government ready to play the role demanded of it under Labour, but in need of clarified powers and extended resources to do"¹¹⁹.

Sheffield was amongst the small number of Labour local authorities which had begun to develop local plans in anticipation of the election of a Labour Government (see chapter 6). In early 1986 Sheffield, with some of these authorities formed the Centre for Local Economic Strategies (CLES) to act as a focus for local authorities developing plans, exchange information and "draw attention to the implications of the plans for national economic planning"¹²⁰ (see chapters 6 & 8). However CLES argued that "it has been demonstrated that local authorities have a major role in the process of economic regeneration. This can only happen if complimentary policies are implemented at the national level"¹²¹. The clear implication was to draw the plans to the attention of the national Labour party. CLES held a conference in early 1986 drawing attention to the issues around the production of local plans and the statement issued at the end of the conference called on local authorities to start developing local employment plans including a commitment to "support new technological developments which provide better heating, insulation, and design, such as Combined Heat and Power schemes"¹²². Sheffield's close involvement in the formation and work of CLES had an important role in putting CHP/DH onto the CLES agenda. For instance CLES commissioned a report to review best energy planning practice amongst local authorities and to help establish a framework around which local authorities could develop a more coherent framework for energy issues. CLES argued that,

"although no CHP systems have yet started to develop in the UK, interest amongst local authorities is growing fast and with a change in Government attitudes to local authority funding it is likely that

¹¹⁸ *Labour Party 1987e p71*

¹¹⁹ *Parliamentary Spokesmans Working Group 1987 p27*

¹²⁰ *Ward 1986*

¹²¹ *CLES 1986b*

¹²² *CLES 1986c*

such systems will develop rapidly. It will be important, in such a case, for local authorities to have a coherent and coordinated approach right across the energy field to realise all the potential gains that such systems could yield"¹²³.

This was a clear reference to the sort of support that might be expected from a future Labour Government and the need for local authorities to develop plans. The development of local plans received some official encouragement from sections of the national party. The NEC formally supported the CLES April statement and in August 1986 the Local Government Section of the party headquarters issued an NEC Action-Advice Note which called on Labour local authorities to draw up new expansion plans covering capital expenditure, services, training and employment¹²⁴. The Advice Note drew Labour Group's attention to the 1986 CLES conference statement requesting local authorities to draw up expansion plans including the proposals for CHP/DH schemes. A working party to identify the most effective mechanisms for evaluating job creation initiatives and allocating resources was agreed with representatives from Labour Groups on the LAAs, and the Parliamentary front bench and Walworth Road. Sheffield had an important role in drawing up the proposals for developing local plans which would be implemented in partnership with a future Labour Government and was responsible for placing CHP/DH on to the local plans agenda. Sheffield was the only local authority to produce a local jobs plan that included a commitment to develop CHP/DH (see chapter 6).

Following the abolition of the GLC work to develop a CHP scheme for London largely came to an end. However there were attempts to form a linkage with the national party over CHP/DH from the work which developed out of the alternative energy strategy (see chapter 7). CHP/DH was involved in two ways. First, in its links to job creation the former GLC Councillor Ward who chaired the IEC became active in CLES, promoted local jobs plans and was involved with the Prescott group of MPs. Although it was clearly too late for the GLC to prepare a jobs plan many of the ideas in the London Industrial Strategy were promoted by Ward in CLES. The LB Southwark was directly involved in the production of a jobs plan, but unlike the Sheffield plan, this focused entirely on an expansion of local government services. The plan did not attempt to develop links with local economic policies or the development of CHP. This is a reflection of the officer-led development of the plan and low importance of CHP at this time. The Borough was seeking immediate solutions to the problem of providing an acceptable level of local government services rather than attempting to develop CHP.

¹²³ CLES 1986b p17

¹²⁴ Labour Party 1986d

1987 Election Policy

The 1987 election manifesto was the point at which the various proposals for municipalisation of CHP/DH if successful would be included in party policy. However there was a very limited take up and even rejection of many of the ideas based around municipalisation. The role of municipalisation is examined in terms of its impact on energy policy and then other policy issues.

In late 1986 there was considerable uncertainty about national party commitment to phasing out nuclear power and implementing locally controlled CHP/DH. Eventually Orme

"at last begun to tackle the problem by privately asking a group of expert advisers to help him develop detailed policies for the next general election. They spent a quiet two days at Bishops Stortford at the end of November (1986) discussing a draft energy policy paper which is now being revised"¹²⁵.

The main issue was the timescale for phasing out nuclear power. It was envisaged that a total phase out would not take place until the end of the century. In the run up to the 1987 election the Shadow energy team published Labour's energy policy for the next two parliaments. This was not an official party policy but a parliamentary spokesmen policy document. This was the first comprehensive Labour Party energy policy since 1982 and it was intended to "form the basis of action in the event of a Labour Government coming to power"¹²⁶. The policy document assumed that over the life of two parliaments Britain would move from a position of energy surplus to self-sufficiency or deficit due to a fall in oil and gas supplies and growth in demand for electricity. The document was ambiguous about the timetable for phasing out nuclear power. In terms of coal, Labour was committed to build "new coal-fired power stations" to encourage an expanding market for coal.

"Labour will order new coal fired power stations to start producing electricity in the mid 1990s. Because of the need for speed the new power stations will be conventionally designed but with full sulphur removal technology. Extra power stations will be ordered to replace nuclear power stations"¹²⁷.

This fulfilled the North East's demand for two new coal fired power stations and indicated that they would be of conventional design. But in addition Labour would

"encourage the development of coal fired combined heat and power schemes

Labour believes that CHP offers a unique opportunity to improve the efficiency of heat production by combining it with the generation of electricity. We will give the go ahead to major schemes and will remove development restraints"¹²⁸.

¹²⁵ Edwards 1987a p15-16

¹²⁶ Edwards 1987b p5

¹²⁷ Labour Party 1987b

¹²⁸ Labour Party 1987b

This seemed to conflict with the commitment to develop new conventional stations, there was no obligation to develop schemes in particular localities and no discussion of local authority involvement in the proposed schemes. Labour planned an energy efficiency programme and an Energy Efficiency Agency would be set up to implement the programme as suggested by the Charter for Energy Efficiency. But CHP not part of its remit as suggested in the original Charter for Energy Efficiency proposals (see chapter 8). The 1987 election manifesto was disappointing for energy activists. References to the role of local authorities in energy supply were largely lost. An Energy Efficiency Agency would be established to "coordinate conservation programmes for domestic and industrial energy users"¹²⁹. But it was argued that this "would cost little to implement". This was certainly not the type of agency envisaged by the ERR report with an important role in the development of CHP and there was no detailed policy as to the function of the Agency. The Section on "A Sensible Energy Policy" envisaged "gradually diminishing dependence upon nuclear power"¹³⁰. The alternative strategy was to be based on coal and renewables to protect the environment and employment. The document "Labour's Programme for the Environment" stated that "Labour will move away from reliance on nuclear energy - towards a strategy based on coal, conservation and alternative energy sources". But there was no mention of CHP in the manifesto. The nuclear power and energy policy issues did not become an important issue in the campaign.

Local Jobs Plans and the development of a partnership between national and local government in the implementation of Labour's programme were excluded from the party's 1987 manifesto. In the run up to the 1987 general election local government became a serious problem for the national Labour Party. As a response to rate capping in 1986 a number of Labour local authorities, including Sheffield and the LB Southwark, adopted "creative accounting techniques, such as deferred purchasing arrangements and sale and lease back, to maintain spending and service levels. These authorities were hoping that a sympathetic Labour government would meet these debts then estimated at some £2 Billion. A serious split developed between the front bench and local government leaders over future spending priorities. The debate included disagreements about the level of resources that would be available to meet local authority debts and fund the local jobs plans. There was pressure for the Treasury and Environment opposition teams to restrict the funds that would be available. These difficulties were further compounded by the Conservatives election strategy that attacked Labour's spending plans and linked the local government "loony left" to the type of policies that a Labour Government would implement. Despite Labour's

¹²⁹ *Labour Party 1987c p5*

¹³⁰ *Labour Party 1987c p7*

success in the 1986 local government election, Labour local authorities became seen as an electoral liability by the national party. Rather than challenging the media campaign against Labour local authorities the national party played down the role of local government in Labour's plans. Local Jobs Plans were quickly ditched and the 1987 Manifesto hardly mentioned a local role in the implementation of national programmes and policies. Consequently much of the local authorities work in conjunction with the Prescott team, developing a local authority role for national policies had very little impact on the party's programme.

Post 1987 election: Convergence of Debates

The 1987 Conference agenda contained a variety of motions on nuclear energy both pro- and anti-nuclear which would have reopened the 1986 nuclear power debate. The only energy composite 42 was remitted to the NEC. The NEC and PLP did not want a another disruptive debate about the nuclear power issue¹³¹. After the 1987 election defeat the Labour Party undertook a major re-examination of its policies. The 1987 conference agreed to set up 7 policy review groups, each with two conveners from the NEC and shadow cabinet. These groups developed very broad policy framework documents which were "rather general and non-committal"¹³² and were approved by the NEC and conference in 1988. Significantly energy issues was left until later stages of the review and there was no mention of CHP/DH.

Prescott took over from Orme as Shadow Energy Spokesman in July 1987. Prescott had a record of detailed policy development but failed to produce an energy document because of serious rifts within the Labour movement over the nuclear energy and electricity privatisation issues. After losing the election there was a view that it would be much harder to phase out nuclear power because nuclear power would be more developed and there would be little funding for alternatives. Stephen Fothergill, a Labour Party energy adviser, argued that if the party wanted to phase out nuclear it would have to focus on a crash programme of large coal fired power stations. Renewables, conservation and CHP had little role to play¹³³. It increasingly looked as if the Labour Party was "committed to a high tech reindustrialisation for enhanced international competition; these priorities require energy-intensive (especially electricity-intensive) technologies."¹³⁴. Although both Cunningham and Prescott accepted that Labour policy was not to "extend nuclear power", it was argued that the party would

¹³¹ *Labour Party 1987a & d*

¹³² *Garner 1989 p101*

¹³³ *July 1987 Conference for Socialist Economists*

¹³⁴ *Levidow 1986 p164*

have "recognise that nuclear power will be playing a part, contributing towards British energy requirements, certainly to the end of this century"¹³⁵.

However, there were also contradictory signals from Prescott. He was the first Energy Spokesman to recognise and firmly embrace the importance of local authority-led CHP in Labour's energy strategy. He argued that in short term renewables could only play a minor role but : "There is a better case for alternative solutions such as combined heat and power applications" which could go a long way to help prevent the problems of fuel poverty although "unfortunately, this government and the CEEB have not actively encouraged them". Prescott opened the Sheffield "new heat and power development" which overcame problems of old DH schemes and argued that the CEEB constraints on CHP "clearly need to be reversed" and that control over CHP could be "decentralised". For instance

"Elected regional governments should have greater powers over economic development, involving people in making decisions, and planning from the bottom up, within a central economic framework. More decision-making on economic developments by publicly owned industries could take place at regional level.

For example, if power and heat applications and similar public sector schemes were more developed effectively, they could help to stimulate local economies and local industries. Decision-making in big corporations should be more in tune with the needs of local economic development"¹³⁶.

Through Prescott two strands of CHP/DH policy, in energy policy and other policy arenas such as government structure, employment and local jobs plans, started to come together in proposals for a localised energy structure. In early 1988 Prescott argued that

"Combined Heat and power clearly makes sense in terms of energy benefits and economic value. Councils such as Leicester and Sheffield are showing what can be done - and the benefits which CHP can bring to local communities and industry"¹³⁷.

In 1988 Prescott stated that as Energy Spokesman "I am about to publish a pamphlet for a socialist energy policy"¹³⁸. The policy document failed to appear as it was caught up in the policy review process and an embargo on Prescott's independent policy-making initiatives. In late 1988 Prescott was moved to the Shadow Transport portfolio and work on the local development of CHP largely came to an end as local authorities were forced to abandon their proposals.

¹³⁵ *Kelly 1987 p7*

¹³⁶ *Kelly 1987 p7*

¹³⁷ *CHPA 1988*

¹³⁸ *Labour Monthly*

FORMS OF LOCALISATION

There have been a wide range of local linkages with the national Labour Party over the development of policy for CHP/DH. This section examines how these linkages with the national party relate to the typology of different forms of localisation set out earlier (see chapter 3). Figure 9.2 sets out the typology of the different forms of localisation. Examples of all these different forms of localisation exist during the development of national Labour Party CHP/DH policy. Figure 9.3 links the different forms of localisation to particular localities and the linkages with the national party. It should be noted that these seven different forms of localisation are not necessarily mutually exclusive. For instance there are a number of links between proposals for municipalisation and the spatial development of CHP/DH. However each of the different forms of localisation is considered in more detail below.

Figure 9.2 Typology of Localisation

<p>Lobbying: using contacts with national party to lobby for changes or dispensations on behalf of a particular locality.</p> <p>Strategy: encouraging the national party to adopt particular positions on issues/policies of interest to local and national party in parliament, select committees, speeches etc.</p> <p>New Policy Innovation: a new policy or issue not previously covered by national policy.</p> <p>Spatial Dimension: giving an existing policy a spatial dimension.</p> <p>Municipalisation: ensuring that national policy provides or encourages local authorities to implement policy and initiatives rather than central government or other agencies.</p> <p>National Guidance: approaching the national party for information/guidance about locating local policy within a national framework.</p> <p>Local Demonstration: Local demonstration is the action of local parties developing policies and initiatives as demonstrations of policies that could be implemented by a future Labour government. This does not necessarily entail an interface being developed with the national party as the local party can develop this approach without explicitly attempting to change national party policy. But implicit in this type of political activity is the idea that the local policies are the type of action that needs to be undertaken by the national party. These demonstrations are then also available for other groups to use as a basis from which to attempt to influence national party policy.</p>
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New National Policy Formulation

Lobbying

Both the trade unions and Labour controlled local authorities lobbied the national party and attempted to influence national party strategy for CHP. The local authorities built upon many of the linkages developed by the trade unions such as those with local MPs but they also developed new mechanisms such as the NCHPLG. Their demands focused on

lobbying and encouraging the party to adopt a supportive strategy for CHP. The linkages

Figure 9.3 Forms of Localisation

LOCALISATION	LOCALITY AND INTERFACE
LOBBYING	<ul style="list-style-type: none"> - N/S/L THROUGH MPS & NCHPLG - NORTHERN & NORTH WEST GROUPS OF MPS
STRATEGY	<ul style="list-style-type: none"> - GLC THROUGH 1983 ENERGY ACT - CHPA
NEW POLICY INNOVATION	<ul style="list-style-type: none"> - BAILLIE ON ENERGY SUB-COMMITTEE - NEWCASTLE CENTRAL CLP CONFERENCE MOTIONS
SPATIAL DIMENSION	<ul style="list-style-type: none"> - YORKSHIRE & HUMBERSIDE REGIONAL PLAN - SHEFFIELD LOCAL JOBS PLAN - EMPLOYMENT POLICY - SEEDS
MUNICIPALISATION	<ul style="list-style-type: none"> - LOCAL JOBS PLAN, EMPLOYMENT, JOBS AND INDUSTRY - SEEDS, CLES - CHARTER FOR ENERGY EFFICIENCY
NATIONAL GUIDANCE	<ul style="list-style-type: none"> - GLC APPROACH TO ORME
LOCAL DEMONSTRATION	<ul style="list-style-type: none"> - NEWCASTLE 1982 PLAN - GLC & LONDON INDUSTRIAL STRATEGY - SHEFFIELD & JOBS PLAN

were used to encourage the national party to adopt particular positions on CHP/DH to assist in removing some of the constraints on the local implementation of the technology. Consequently most of the linkages were developed through the NCHPLG as a number of Labour local authorities had similar problems. However in some cities local MPs lobbied for movement on issues specifically affecting their individual localities. Most of the linkages were made with those parts of the national party concerned with energy issues. This included the Labour Party Energy Group and Shadow Energy Spokesmen. Although the group recognised that CHP was related to other policy issues such as employment and industrial policy they maintained their focus on the removal of the constraints to the implementation of an energy scheme. Relating CHP to wider policy objectives could take place after a scheme was developed. Consequently they did not try to influence the specific form of the party commitment to develop CHP if it formed the next government. The main

interest was developing viable proposals which could be implemented whether or not the Labour party formed the next government. If Labour had been elected they would have expected support for implementing the technology but expected to negotiate after the election with a Labour government rather than make detailed plans before an election¹³⁹.

Strategy

There were two significant attempts to influence national party strategy for CHP/DH. First, the GLC made an important contribution to the national party's position on the 1982 Energy Bill. This Bill was designed to introduce private sector competition in to the electricity supply industry but failed to give local authorities the same access to the grid as private companies. The absence of this statute could seriously inhibit local authority development of CHP. The GLC's Labour Policy Committee instructed legal officers to prepare amendments to the Bill which were sent to the Shadow Labour Energy Spokesman John Smith. The amendments were tabled in their entirety in both the Commons and Lords but were unsuccessful as government argued that it was not the purpose of the Bill to alter local authority powers. This type of intervention was a product of the GLC's strategic role for protecting the interest of local government not only in London but elsewhere. Although the GLC had commented on government legislation in the past access was now more problematic given the poor relations between a Conservative government and Labour GLC. Thus the Council used links with the Parliamentary Labour Party. Smith agreed with the GLC amendments and they were readily taken up and used in their entirety. Also due to time and resource constraints, Smith was quite willing to use professionally produced local authority amendments. Secondly, in 1984 the CHPA put pressure on the Labour Party Energy Spokesmen to consider participating in the establishment of a cross-party CHP/DH group in Parliament. The main aim of this initiative was to place pressure on the Government to come forward with support for CHP. However the national party rejected this approach as they felt unable to participate in a group that included Conservatives who argued strongly for private sector financing of CHP. Consequently this proposal failed although the party continued to provide support for CHP. However it did result in the apparent contradiction between national and local policy for CHP/DH. At local level Labour local authorities were working with the private sector to implement CHP/DH. At the national level the party refused to join an all-party CHP group because of the Government's support for private sector involvement in the development of CHP.

¹³⁹ *Meade Interview 1987*

New Policy Innovation

The Tyneside trade unions in conjunction with local energy and community groups were responsible for developing a whole range of linkages with the national party over the issue of CHP. These linkages were formed through meetings with Energy Spokesmen, Conference motions, trade unions and MPs. Eventually this pressure resulted in the 1982 policy commitment to CHP which was subsequently published in the 1983 party Manifesto. This was the party's first, and to date most comprehensive policy commitment to CHP. Support for the technology was based in terms of its wider economic and social benefits but the policy made no mention of the institutional framework in which CHP would be implemented. In this sense the policy was a commitment to develop CHP but without proposing where it was to be implemented or whether local authorities would be involved.

Spatial Dimension

There have been a number of attempts to develop national policies for CHP that provide a commitment to develop the technology in particular localities. This initiative began in 1982 with Newcastle proposals for alternatives to arms production on Tyneside which set out policies for the development of CHP in the region. Similarly the SEEDs energy policy document set out proposals for the development of CHP/DH in member local authorities in the South East. But perhaps the most significant attempts to influence the development of national policy for CHP spatially were the initiatives based around the Jobs and Industry Campaign, Full Employment Policy and the Local Jobs Plan. In these initiatives it was clear that the Yorkshire and Humberside region and more specifically Sheffield was being proposed as an area in which CHP/DH would be implemented. This is set out clearly in a number of the policy documents produced during these initiatives. Similarly in this period the Tyneside trade unions and local authorities campaigned for the development of two conventional power stations and CHP/Dh in the North East. The demands focused on the expansion of existing coal fired power station technologies and they gained a commitment from the Labour Party to build two new stations in the region including the siting of one station in the North East. The Labour Party was already committed to building more coal fired power stations but the region was able to exert pressure on the party to ensure that at least one station was located in the region to provide work for the power engineering industry and the regions coal industry. These attempts to influence the spatial nature of national party strategy had mixed success. There were a range of signals indicating that Sheffield and the North East might have national party support for the development of energy technologies in these regions. But none of the 1987 election manifesto or energy

policy documents mentions that any particular region or locality would receive national party support for the development of CHP/DH.

Municipalisation

There were two quite different sets of demands for the municipalisation of CHP/DH. First, there was interest from the proponents of CHP and local energy planning. The most important linkages were developed by local authorities working together through joint initiatives such as CLES, SEEDs, the AMA and perhaps most significantly the Charter for Energy Efficiency. These groups developed detailed proposals for the local authority-led development of CHP/DH as part of an alternative national energy strategy. These ideas were directly focused on the national Labour Party through meetings with shadow energy spokesmen and the launching of documents at conference.

Second, the Sheffield Municipal Enterprise group's interest in CHP/DH had important implications for the structure and content of local-national interaction and the types of localisation proposed. The interaction was concerned with the form of the national party's policy for CHP/DH. The group was interested in relating CHP to new forms of national policy for employment creation, sectoral planning and regional government. Consequently the interaction did not focus on those parts of the national party specifically concerned with energy policy formulation. The group developed and utilised new structures for linking local and national party such as the regional plans, the local jobs plan and links with MPs and shadow spokesmen such as John Prescott's interests in the development of a partnership between local and national party strategies. The Municipal Enterprise group was involved in three policy initiatives linking local and national party and used CHP as one element in the production of new policy initiatives, municipalisation and regionalisation, representing an attempt to localise national policy formulation. These initiatives were the Charter for Yorkshire and Humberside, developed as part of the 1986 Jobs and Industry Campaign, involvement in CLES and the related 1987 Local Jobs Plan. These initiatives had been promoted by, and could not have been produced without the active involvement of Labour local authorities particularly Sheffield. CHP was introduced into the Regional Plan as an example of how a local technology could help assist the development of plans the local mining industry and new forms of regional government. The commitment to CHP in the local Jobs Plan was much more specific, proposing the municipalisation of energy supply. Through these new mechanisms the proponents of municipal enterprise have put CHP on to the national party agenda.

Richard Cabourn had a role in the activities of both these groups. Cabourn is a member of the Prescott group of MPs and was responsible for liaising with the local authority over the production of the local Jobs Plans. He arranged for Prescott to open the construction of the Sheffield DH Scheme in November 1987. It is also significant that both Blunkett and Jackson have participated in various Prescott Plans that include reference to the potential of the Sheffield CHP project in terms of the job creation, function of a new regional authorities and local stimulation of the mining industry. In addition there were some indications that the GLC, and some of its senior Labour Chairs, played an important role in the development of these policies. For instance although the GLC was abolished in 1986 the London Industrial Strategy was often referred to as a good example of the type of regional plan that could be incorporated into national party policy. A number of officers from the GLC became part of the Prescott working group and Councillor Ward became Chair of CLES.

National Guidance

One interesting feature of localisation is that local authorities sought guidance from the national party on the local development of CHP. In 1984, following a NCHPLG meeting with the Parliamentary Labour Party, Councillor's Hart and Geddes arranged to meet with Stan Orme to seek guidance on the local development of CHP within an overall "Labour Party philosophy". The possibility of implementing a scheme in London was looking much more concrete but the local authorities felt they were being forced to accept the government's privatisation proposals by entering into partnership agreements with the private sector. At national level the party was totally opposed to any form of privatisation in the nationalised energy industry's. Despite this apparent contradiction between local and national policy the meeting with Orme was not very productive. Although he was not in a position to produce any tangible benefits he was reluctant to support pro-CHP elements in Parliament and did not want to push CHP in London. There was a distinctive absence of an 'understood' nationally agreed Labour party philosophy to guide local action. The national party for guidance the centre was not really able to deliver because of the lack of a clear policy framework and the lack of resources and expertise required to develop one.

Local Demonstration

In 1982 many of the ideas developed by the Newcastle trade unions were incorporated in to an alternative plan for the region "Jobs for a Change: Alternative production on Tyneside" produced by Newcastle Trades Council and local anti-nuclear campaigns¹⁴⁰. The plan

¹⁴⁰ *Newcastle upon Tyne Trades Council, Tyneside AntiNuclear Campaign, Tyneside for Nuclear Disarmament 1982*

linked existing military and nuclear energy production in Newcastle with proposals for alternative socially useful production for these industries "from the bottom up". The plan suggests a number of policy proposals that a future Labour government could implement. The energy policy proposals would "imply a re-ordering of priorities at all levels of the economy, in effect the creation of an new energy strategy into which Government departments, councils and private and public industries would fit their programmes"¹⁴¹. It called for the development of CHP nationally and in the region, and local authorities could "take on the job of administering the non nuclear energy strategy in their own locality: such a strategy, with its bias towards conservation and local supply, would, after all, call for a local level of coordination. Thus a new and vital role for local authorities could emerge"¹⁴². This plan drew upon many of the trade union and local authority ideas developed around CHP/DH and was seen as a radical departure from Conservative and past Labour government policies. However the plan did not become a formal Labour policy-making document but a number of other local authorities such as Sheffield and the GLC subsequently developed local and regional plans which included CHP and became part of national Labour party policy.

Sheffield City Council and the GLC both attempted to develop policies as alternative to the policies of the Conservative government which could be implemented even though the national party was in opposition. Blunkett argued that "waiting for the next Labour Government to change the world, to legislate for democratic control and the economic millenium simply will not do. Not only cannot Parliamentary action miraculously change the world, but nor should it"¹⁴³. The Sheffield District Labour Party's 1983 Manifesto echoed this theme

*An alternative strategy.. naturally requires coordination at a national level by a future Labour Government. But such a plan cannot be devised in Westminster or Whitehall by politicians and civil servants; such a plan must be based on the skills, knowledge and initiative of ordinary working people if it is going to meet their needs. A socialist authority like Sheffield will have a crucial role to play in making such a plan come to life for the benefit of people in Sheffield"¹⁴⁴.

The London Council's most significant contributions to localisation has been the development of demonstration politics which both challenge central government and attempt to provide examples of policies that a future Labour government could implement. CHP played an important, often unacknowledged, role in these demonstration or prefigurative policies. It was a convenient technology on which to focus a number of initiatives. The

¹⁴¹ *Newcastle upon Tyne Trades Council, Tyneside AntiNuclear Campaign, Tyneside for Nuclear Disarmament 1982 p9*

¹⁴² *Newcastle upon Tyne Trades Council, Tyneside AntiNuclear Campaign, Tyneside for Nuclear Disarmament 1982 p21*

¹⁴³ *Blunkett 1981*

¹⁴⁴ *Sheffield District Labour Party 1983*

technology had to implemented locally and was therefore something the GLC could legitimately spend resources on, and had a wide range of economic, social and political benefits. Consequently the technology was used in a number of initiatives, London Industrial Strategy, Sizewell B evidence, Greater London Development Plan, London Energy Employment Network and the miners strike. The political aim of these initiatives was the demonstration of what potentially could be achieved locally and nationally if central government would support the implementation of the technology. The clear implication was that these policies could or would be supported by a Labour government.

It is difficult to assess the impact of these policies on the national party. The centre was highly suspicious of the activities of the London left and did not want to form a linkage over these demonstration policies. From 1986, elements of the national party began to recognise that local authorities could provide valuable lessons and new policies to be built on at national level. However, the GLC was abolished and consequently had little opportunity to input into this process. However Councillor Ward was a member of the Prescott team and involved in CLES, the LB Southwark contributed to the local authority Jobs Plans but CHP was not an issue in the Southwark document which focused on an expansion of conventional local authority services. But LEEN was involved in formulating a series of regional and national policy documents calling upon opposition parties to develop energy policies which supported local authority led CHP/DH. These initiatives attempted to translate the GLCs and LB Southwarks demonstration politics into proposals for the municipalisation of energy production

Over the three periods there is a wide range of different forms of localisation and linkages with the national party. Perhaps the key point is that the form and intensity of the linkages increased over the study period as did the demands for different forms of localisation. From this complex set of interactions the conclusions will attempt to draw out the main features and impacts of the local authority case studies on the development of national party policy for CHP/DH.

CONCLUSIONS

It would be impossible to begin to understand the development of national party policy for CHP/DH without an examination of the linkages between the three case studies and the national party. Although it is clear that the situation is particularly complex it is possible to identify a key primary form of localisation in each period of policy development with other secondary forms (see figure 9.4).

Figure 9.4 Periods of Localisation

PERIOD	MAIN FORM OF LOCALISATION	SECONDARY LOCALISATION	LOCALITY
1976-79	LOBBYING		NEWCASTLE
1980-83	NEW POLICY INNOVATION	STRATEGY LOCAL DEMONSTRATION	NEWCASTLE GLC/CHPA NEWCASTLE
1983-87	MUNICIPALISATION	NATIONAL GUIDANCE SPATIAL DIMENSION LOCAL DEMONSTRATION	SHEFFIELD, GLC, JOINT GLC NEWCASTLE, SHEFFIELD SHEFFIELD, GLC

In the first period the Tyneside trade unions and local authorities lobbied the national party, encouraging it to consider the potential for CHP/DH. With increased pressure in the second period the trade unions and local authorities specifically set out to change party policy to support the development of CHP/DH. This was successful so that in the final period the main aim was to influence the nature of the party's support for CHP/DH to ensure that local authorities were given the powers to implement the technology. In addition to this trend within each period there are various secondary forms of localisation which become progressively more complex over the period due to the wide range of local authority activity around CHP/DH. This characterisation of the localisation process is examined in more detail below.

In the first period, 1976-79, the main form of localisation was lobbying the national party. The Tyneside trade unions and local authorities used a variety of mechanisms including meetings with ministers, MPs the Northern and North West regional groupings of MPs and lobbies of annual conference to encourage the Government to consider the potential of CHP. The Government argued that it was unable to make any form of policy commitment until the Marshall assessment of CHP was published. But there were some conflicting signals. Although Benn as a Minister felt unable to progress on CHP until the publication of the Marshall Report, he did argue in the Energy Sub-Committee that CHP should be considered in a review of energy policy.

After Labour lost the 1979 election an intense campaign was developed by the Tyneside trade unions and local authorities to force through a policy commitment to CHP/DH. The Tyneside trade unions gained TUC support for CHP from the 1979 conference, the Tyneside Central and North CLPs proposed a series of pro-CHP motions at the 1980, 1981 conference and sent them directly to the NEC. There was increasing pressure on the national party to consider CHP. Consequently the Secretary of the Energy Sub-Committee invited a party member linked to TUSIU to assist in the development of CHP policy. This resulted in the party's first formal commitment to the development of CHP/DH although the policy made no mention of the institutional mechanisms through which CHP/DH would be implemented.

During this period other forms of localisation were proposed, reflecting the wide range of local authority activity on CHP that developed during this period. In terms of influencing party strategy on CHP the GLC were responsible for formulating the national party's proposed amendments to the 1983 Energy Act. These were readily taken up by Smith the Shadow Energy Spokesman. The CHPA attempted to encourage the national party to take part in an all-party CHP group in Parliament. This proposal was rejected because of the

privatisation proposals in the Governments CHP proposals. But it is clear that local authorities were interested in attempting to influence the national party's position on CHP during this period. Similarly during this period there were the first local proposals, from Tyneside trades council and anti-nuclear groups, that attempted to outline the type of national policies that would be required to implement CHP regionally. These local demonstrations were to be of some significance in the third and final phases.

In the final period of CHP policy development there was a wide range of linkages with the national party and different types of localisation proposed. This period was particularly complex as the national party had no formal energy policy-making mechanisms in place causing difficulties for localities attempting to influence national policy. The prime form of localisation during this period was municipalisation. As the national party had previously made a policy commitment to develop CHP the localities acting singly and together through joint initiatives attempted to influence the form of the national party's commitment. Basically they wanted to develop national policies that would allow local authorities to develop CHP/DH themselves with national party support.

These proposals developed in two different policy-making arenas. First, in terms of energy policy, between 1985-87 a range of joint local authority initiatives, including CLES, SEEDs, the AMA and particularly the Charter for Energy Efficiency, proposed a national energy strategy which included regional and local plans for the local authority led development of CHP/DH. It was difficult to link into national party policy development during this period as there was no energy policy formulation mechanism during this period. Consequently these ideas were put forward in meeting with Orme and launching of policy documents at conference. The aim was to set out in some detail the type of national policies that would be required for a rational energy policy that included the local development of CHP/DH. The main linkage with national party policy was the 1986 Composite which called for the next Labour Government to "liaise with local authorities" to develop CHP. Unfortunately this failed to gain the necessary 2/3 support to become party of national policy. Although the national party argued in a number of policy statements that it would support the development of CHP "where appropriate" this was ambiguous and there was never a commitment to the local authority led development of CHP/DH.

Secondly, both Sheffield and the GLC were attempting to link CHP/DH to the development of other policy areas. In this period the national party had severe difficulties in developing alternative regional, industrial and employment policies. Increasingly elements in the national party including members of the NEC, PLP and John Prescott Employment Spokesman began looking to local authorities for policy innovations Sheffield and the GLC

were developing policies which they argued could provide local demonstrations of the type of policies that could be implemented by a future Labour Government. Consequently linkages were developed between these local authorities and the national party over three policy innovations during this period. The Jobs and Industry, Full Employment and Local Jobs Plans proposals all contained policies which argued that local authority-led development of CHP/DH could provide an important role in terms of job generation, sectoral plans for the coal industry and new forms of municipal enterprise. These proposals were not linked to energy policy although it is clear that there were a number of parallels with the proposals set out by the proponents of local energy planning. However proposals for the municipalisation of CHP were dropped by the national party when the 1987 manifesto was published. During the latter half of 1986 the PLP and NEC became increasingly concerned about the costs of the proposals and the "threat" from the local left in London. Consequently the manifesto failed to make any mention of CHP/Dh or proposals for its local development.

In this period there were other forms of localisation. Localisation was not a one way process. Local authorities sought national guidance in the development of local policy for CHP. For instance the GLC and LB Southwark Councillors leading on CHP met with Orme in 1984 to seek guidance on the development of local policy for CHP. They received little guidance as the party was simply not making any policies and it was clear that local authorities themselves would have to decide on their own priorities. This was an interesting situation. The national party rejected the privatisation element in the Government CHP policy and for this reason would not take part in an all-party CHP group in Parliament. But at the same time Labour local authorities were left to develop policy positions that allowed for the inclusion of the private sector in their CHP proposals. Consequent there was an apparent contradiction in policy between local and national levels of the party. At the same time a number of groups within the GLC and Sheffield felt that in the absence of national party policy development local authorities had to develop local demonstrations of the type of policies that could be implemented by a future Labour Government. In both the GLC and Sheffield CHP was used as an example and proposals put forward for supportive national policies. Many of these ideas were taken up and used in the various municipalisation initiatives during this period.

Clearly the different forms of localisation are related to some extent. For instance out of the demonstration and municipalisation proposals there were attempts to link national policy to the development of CHP in particular places. For instance the SEEDS plan argued for the development of CHP in Southern Labour local authorities. But perhaps more significantly

the Yorkshire and Humberside Regional Plan, the Full Employment proposals and the Sheffield Jobs Plan all argued that national party policy should support the implementation of CHP in Sheffield. Similarly the campaign that developed in this period in Newcastle argued, somewhat confusing, for the development in the region of both a conventional coal fired power station and CHP. However none of the national party policy documents make any commitment to develop CHP in particular localities.

In conclusion although localisation is a complex process it has been possible to identify the key trends. Over the research period, local authorities, acting singly and together, did attempt to influence national party policy for CHP/DH. They initially raised the issue in the party, secured a policy commitment and then attempted to influence the nature of that commitment to secure national support for the municipal development of CHP/DH. Unfortunately this final form, although gaining much support within the party, was rejected very close to the 1987 election. After the election with the appointment of Prescott as Shadow Energy Spokesman many of the ideas of municipalisation did find expression in a number of statements on the future direction of energy policy. But after the 1987 election the influence of the local left waned in Thatcher's third term and the centralisation of the Labour party policy-making process created difficulty of local access. The energy issue, mainly because of the difficulties of working out a response to electricity privatisation and the nuclear issue was not considered in the first round of the new policy review. The next chapter links the trend identified above to some of the more theoretical ideas developed in earlier chapters about the role of the local party in the development of national party policy.

CONCLUSIONS

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INTRODUCTION

This concluding chapter examines the wider theoretical implications of the CHP/DH case study. CHP/DH was selected as a technology policy issue linking the local and national party as a means of investigating the localisation of national Labour Party CHP/DH policy. The key finding is that national party policy for CHP/DH can only be understood by analysing the impact of the three case study localities on national policy development. The case study chapters have shown that localisation is a complex process. The research has been based on careful marshalling of disparate sources of information which were structured to assess the impact of the local party on national CHP/DH policy development. The study must be seen as an early attempt to investigate the role of local party units in the development of national party policy. Further studies of other policy issues linking local and national party structures and localities developing linkages with the national party will be necessary. In this chapter the three research questions are linked to the wider theoretical and empirical debates examined in the earlier part of the thesis which are re-assessed in the light of the discussion in the case study chapters. The main issue is the extent to which the results of the CHP/DH case study are representative of more general localisation trends within the Labour Party during the period under study. The chapter is divided into four sections. First, an analysis of the role of local politics in the Labour Party. Second, an analysis of the implications of the development of local socialism. Third, an examination of the difficulties of developing new forms of localised technology policy. Finally the conclusion outlines areas for further research.

LOCAL POLITICS AND THE LABOUR PARTY

This section examines two issues: the role played by local politics in the Labour Party from the mid 1970s and the development of an interface between the local and national Labour Party. Conventional theoretical and empirical models of the structure of the Labour Party assume that it is a very centralised and monolithic organisation. According to this model the national party is able to impose its policies on very weak local party units. This model of party structure was rejected as the national party does not have the resources simply to impose its view on local party units (chapter 1). Even though there is a wide range of linkages between the local and national Labour Party, the national party is not able to use these linkages to impose policies on the local party. The potential existed for local parties to use the interface to place local issues onto the national party agenda. However for wider structural and ideological reasons, in the period from the 1930s to early 1970s the relationship between the local and national party was characterised by disassociation. Each

level of the party was essentially separate with a high degree of reciprocal autonomy. It was argued that the relations between the local and national party were poorly developed giving the appearance of a nationalised party structure. Consequently it was not surprising that many academics underestimated the extent to which it was possible for the stratarchic party structure to support different forms of local and national relationship. Because the prevailing theoretical models of party structure operated on the assumption that the national party dominated local politics there was no attempt to investigate the impact of local party units on the national party. It seems reasonable to assume that there may have been closer linkages between local and national party than the literature examined in the early part of the thesis suggests. Researchers failed to look for the linkages as they operated within a theoretical framework which denied that local parties could make an impact upon the national party.

However from 1970s the disassociated structure of local and national politics began to break down opening up the potential for engagement between the two levels of the party. With the economic crisis and cuts in public expenditure the separation between local and national politics could no longer be maintained. Decisions taken at a national level had important implications for Labour controlled localities which were also suffering from local economic decline. A number of localities from the late 1970s began to develop policies for issues which were previously seen as the preserve of national party policy. CHP/DH was one such issue. The case study of CHP/DH clearly demonstrates that particular local units of the local party did engage with the national party over the development of policy for CHP/DH. Although the CHP/DH was selected because there were indications that there had been some form of linkage between the local and national party the level of interaction is particularly significant. The research has shown that the case study localities provided a central axis of support for CHP/DH and attempted to ensure that the technology was included in alternative national policy frameworks that could be implemented with the election of a future Labour Government. In this case local politics did play a crucial role - a very different role from that in the period between the late 1930s and early 1970s.

The nature and importance of the local and national party interactions varied depending upon particular local political contexts. The case study chapters indicate that the important local factors included, the local treatment of CHP, the individuals concerned and local perceptions of national party priorities. However the linkages between the local and national parties were not simple and direct but instead were complex and tenuous. A wide variety of structures and mechanisms have been utilised by those operating at local level to put CHP issues on to the national agenda including linkages with the PLP, TUC, NEC committees,

MPs and MEPs, regional groupings of MPs, local authority associations, NCHPLG, SEEDS and CLES. Many of the linkages identified in chapter 1 were utilised in an attempt to influence the development of national party policy. But new forms of linkage were also developed such as CLES, SEEDS and the Parliamentary Spokesmen group centred on the activities of John Prescott.

Access to the national party varied over time as it was strongly dependent on national political priorities and policy-making structures. For instance after 1983 the party did not have a formal Energy Committee with which the case study localities could develop an interface. Consequently linkages over the development of energy policy in this period were based on much more complex and ad hoc strategies such as meetings with Parliamentary Spokesmen. However in this period it was much easier for local authorities to make an input in the development of ideas based around municipal enterprise. John Prescott encouraged local authority councillors and officers to join working parties in order to develop new ideas and policies. However the policy documents produced did not have the status of formal policy statements. It was also easier for some localities than others to develop an interface with the national party. The North East trade unions and local authorities and Sheffield were seen as important areas because of the strength of Labour support and that they were not seen as particularly "radical". There was a much more ambiguous relationship between the London Labour Party and the national party in the case study period as the activities of the London left were seen as damaging to the National Party's electoral prospects.

Consequently the relations between the local and national Labour Party were extremely complex. It is difficult to assess how the linkages would be developed over other policy issues. But the research develops a framework which would help researchers look for the linkages between the local and national party. Perhaps the most significant point is that the CHP/DH case study seriously questions the nationalisation thesis of party structure. Although it is not easy to develop an interface with the national party the case studies localities were able to use the interface to transmit demands to the national party. The national party did not have a policy on CHP/DH which it attempted to impose on local party units. For instance it is interesting to note that when the GLC councillors approached the national party to seek a Labour Party framework within which they could implement CHP/DH, a national framework did not exist. The national party did not have a policy framework to "impose" on the local party and it was not particularly supportive of CHP/DH. However the situation may have been very different where the national party had a clearly developed national policy.

THE IMPLICATIONS OF LOCAL SOCIALISM

In each of the thesis case studies local groups became interested in the development of CHP/DH for specific reasons. Although there were generic features of the technology which attracted local support including job creation and the development of a local industrial specialism, the case studies indicate that the local response to the opportunities offered by the technology was conditioned by local circumstances. For instance, in Newcastle CHP/DH played an important role in the development of an alternative plan for the power engineering industry. However, the emphasis of the basis for support also changed over time. In each city the local authorities attempted to develop a strategy for the implementation of CHP over which they would maintain control in order to achieve their economic and social objectives. The national constraints on the development of CHP/DH limited the extent to which local authorities could maintain control over their own strategies and they had to accept a high degree of private sector involvement in the proposed schemes.

Energy production was an area in which local authorities had not been active since the 1940s and there was considerable difficulty in implementing CHP/DH. Consequently it was not surprising, given the high degree of commitment and political support for CHP in the case study localities, that national issues were raised at local level. As the authorities investigated all the potential opportunities for implementing CHP they had to address the national constraints on the implementation of CHP/DH. The constraints on the implementation of CHP were quite clear and widely known (see chapter 4). The case study authorities were forced to accept a pragmatic and flexible approach to their development strategies in an attempt to circumvent these constraints.

In the early 1980s a number of academics and local politicians argued that the national policy issues raised at local level had important consequences for the development of national Labour Party policy. New forms of locally based policies were developed in areas that had previously been seen as national party policy issues. These policies were critiques both of past Labour and the current Conservative Government's policies. As the Labour Party was in opposition nationally Labour local control of large metropolitan local authorities provided an important axis of support for the development of alternative policies which could be taken up and used by the national party. Certainly for CHP/DH the case study authorities raised national issues locally and developed an interface with the national party to influence the form and content of national party policy for CHP in order to overcome the national constraints on the implementation of the technology.

But the CHP case study has shown that in Newcastle from the mid 1970s local trade unionists raised the CHP/DH issue and attempted to influence the development of national policy before the development of local socialism in the early 1980s. This finding came as something of a surprise. The research questions had initially developed out of an attempt to understand the implications of local socialism for the development of national party policies using a case study of CHP/DH. The theoretical framework developed in the earlier chapters had not given local trade union a role in the local party or local authorities. The evidence in fact suggested that the trade union movement had exerted a strong centralising tendency within the Labour Party. In addition there were no studies which attempted to assess the impact of local and regional trade unions on the development of national trade union or Labour Party policy. However this research indicates that within Newcastle local trade union interest in CHP/DH developed before the emergence of local socialism, that national issues were raised locally and that there was an attempt to influence the development of national party policy. It was also the case that trade unionists in Newcastle introduced their local authorities to the issue and local authorities in Sheffield and London attempted to replicate a number of the campaigning approaches adopted by local trade unions and TUSIU.

But this finding does not contradict the theoretical framework developed in the earlier chapters of the thesis. It was argued that from the mid 1970s the dual polity was under increasing pressure and disassociation was increasingly replaced by engagement between the local and national party. However there was relatively little empirical evidence to support the trend towards engagement during the 1970s. It was only in the 1980s that academics began to speculate about the implications of local socialism for the national party. This research has shown that for CHP/DH linkages were developing between the local and national party in the late 1970s before the development of local socialism. Nevertheless it is important to identify the difference between the trade union and local authority-led forms of localisation. In the 1970s there were a number of trade union initiatives based around alternative production these included the Lucas and earlier Vickers campaigns. The alternative strategies developed in response to severe economic crises in industry and because there appeared to be an opportunity for implementing the plans with the support of a sympathetic Labour Government, particularly from Tony Benn. However trade unions were unable to sustain their campaigns for alternative plans after 1979 due to the recession and anti-trade union legislation. Consequently the campaign shifted to large metropolitan Labour controlled local authorities where the opportunities for the development of alternative strategies appeared much greater. In any future studies I would be careful not to assume that the local raising of national issues and attempts to influence national policy

occurred only after 1980. Many of the pressures leading to national issues being raised locally and engagement between local and national party developed from the early 1970s so linkages over policy issues might be expected. Further research is needed in this area.

In the case study period local politics within the Labour Party played a very different role from that which developed between the 1930s and early 1970s. Certainly over the issue of CHP/DH the large metropolitan Labour councils and local trade unions in the thesis case studies played a central role in the development of alternative energy technology strategies based on CHP/DH. The localities provided an important axis of support for CHP within the Labour Party and they attempted to ensure that the technology was included in new policy frameworks which could be implemented with the election of a Labour Government. However the key issue is how far this was part of a more general trend.

I am not suggesting that it is possible to extrapolate simply from the CHP/DH case study to other policy issues. The CHP/DH case study was chosen specifically because the technology was an issue over which it was suspected that some form of localisation had taken place. But the wider political and economic context within which local authorities were operating in the case study period applied to other policy issues. It would be expected that over other policy issues, including local economic and employment policy, local authorities inevitably raised national issues locally and may also have attempted to seek access to national Labour Party policy-making. Certainly for those local politicians interested in the wider development of municipal enterprise, CHP was only one issue over which they sought to influence national party policy.

DEVELOPMENT OF NEW LOCALISED TECHNOLOGY POLICY

This section examines the national party's response to local demands for different forms of localisation of CHP/DH. The CHP/DH case study underlines the difficulties of developing new forms of localised technology policy within the national Labour Party. The national Party responded to the various forms of localisation by reformulating and selectively drawing upon the local policy initiatives. An explanation of the national party's response must be located in the nature of the demands proposed by different localities and the particular technological features and capabilities of CHP/DH.

The national party has found it difficult to break out of an established technological energy production paradigm based on the centralised production of electricity. Within the party a large body of support, particularly from key trade unions, has developed around the construction of large coal and nuclear powered power stations and a historical commitment

to nationalised and highly centralised energy institutions. The problem with the implementation of CHP/DH is not technical. The main issue is the institutional framework within which the technology must be implemented. Large centralised energy institutions represent a powerful constraint on the implementation of CHP/DH. The evidence indicates that without the restructuring of these existing institutions and the development of new decentralised energy supply organisations it is difficult to implement CHP/DH (Chapter 4). Decentralised power production technologies such as CHP/DH which produce both heat and electricity represent a challenge to the existing centralised paradigm of energy production. CHP/DH was seen as a threat to large nationalised energy supply institutions and the continued development of centralised sources of electricity production from coal and nuclear power. The national party has found it much easier to accept local demands for the development of conventional power production technologies such as the Drax B campaign in the mid 1970s and North East campaign for the development of coal fired power stations in the region during the late 1980s. The development of CHP raises many more problems and has resulted in a different national response to particular forms of localisation.

In the first period of national party policy development the Labour Government was able to resist local demands, particularly from the North East, for the implementation of CHP/DH on the basis that the Government was waiting for the results of the Marshall Report. Ministers also argued that redundant urban power station sites could not be reserved for the implementation of CHP/DH as this decision was the CEGB's responsibility. These could be interpreted as delaying tactics but the Government was able legitimately to argue that no decision could be reached on the suitability of the option until the committee, which the Government had set up in 1976, had reported. However this was a convenient approach to take as there were conflicting assessments of CHP/DHs potential. Within the Energy Sub-Committee and among some members of the PLP there was sustained hostility as the technology was seen as a threat to the continued development of nuclear power. However, the Environment Study Group viewed CHP as a central plank in an alternative energy strategy. Conflict was avoided between the two groups as the 1979 general election delayed the publication of the Marshall Report so that the Labour Party in Government did not have to develop a policy response to the Report's recommendations.

In the second period there was increased pressure on the party to develop a policy for CHP/DH. This coincided with a period of substantial confusion over the future direction of energy policy. There was pressure building up, particularly from CLPs, for the rejection of nuclear power and the adoption of an alternative energy strategy. The Party's Energy Spokesmen now spoke enthusiastically about the potential of CHP, called on the

government to implement the recommendations of the Marshall Report and reserve urban power station sites for CHP/DH. However the national party still had no clear policy for CHP/DH. A wide range of linkages were developed by the case study localities with the national party over the issue during this period. These included conference resolutions on the issue from Newcastle CLP. In 1981 when the TUC formally accepted a role for CHP in its energy strategy it became even more difficult for the national party not to adopt a policy on the issue. Consequently the Secretary of the Energy Sub-Committee was able to appoint a representative for the TUSIU campaign to assist in the development of CHP/DH policy. Although there was still strong resistance from trade unions with memberships in the nuclear power industry the Committee did support a policy for CHP/DH. They were persuaded that more coal would be consumed, and jobs created and that CHP was not incompatible with nuclear power. However the policy failed to address the means by which CHP/DH would be implemented and a later policy paper calling for the municipal development of CHP/DH was quietly dropped by the Energy Sub-Committee.

In the third period of policy development the debate over particular forms of localisation concerned the form of the party's support for CHP/DH. The 1982 policy statement did not refer to the institutional mechanisms by which the technology would be implemented or in which cities development would take place. The national party found it very difficult to accept the need for wider institutional change to provide a framework within which the technology could be implemented. At national level the party eventually accepted a new policy innovation of support for CHP/DH; lobbied on behalf of local authorities; and developed strategies providing to support localities trying to implement CHP/DH. But the national party subsequently resisted proposals for the wider structural re-organisation of the ESI and the proposals for the development of CHP in particular places. This clearly placed a question mark around the development of decentralised local authority production of CHP/DH.

Within both energy policy and other policy arenas the case study localities attempted to develop policy frameworks within which the municipal development of CHP/DH would take place in particular locations. The main aim was to develop a national policy framework that allowed local authorities to implement and operate their own CHP schemes. A series of frameworks was created in different policy areas which, if accepted nationally, could have led to the municipal development of CHP in Newcastle, Sheffield and London. These included proposals in the Regional Plan for Yorkshire and Humberside, the London Industrial Strategy, the various reports by the Charter for Energy Efficiency, the SEEDS and CLES proposals. However the status of these policy documents was ambiguous. Generally

they held the status of discussion documents, Parliamentary Spokesmen papers and working papers. These policy proposals did not hold the status of official Labour Party policy. For instance, the regional level of the party was not able to produce national policy proposals (see chapter 1).

At national level the party drew selectively on these policy documents. In terms of official policy statements there was a whole series of one-line statements which supported the development of CHP "where appropriate". This was a clear "fudge" as the locations for the development of CHP/DH were clearly known based on the Marshall investigation and the latter Atkins reports. It was never explained how a proposed schemes "appropriateness" would be assessed. The Party has resisted proposals to develop CHP/DH in particular places and to allow local authorities to take the lead in the technology's implementation. National policy statements failed to mention the institutional structures by which CHP/DH would be implemented or the locations in which it would be developed. The national party reformulated and drew selectively on the local policy proposals for municipalisation and spatial development of CHP. This took two forms. Firstly the national party undertook to support the implementation of CHP/DH where it was "appropriate". There was no definition of the criterion that would be used to assess the appropriateness of CHP/DH's implementation. These criterion could have been spatial, technical or economic. Secondly there was no mention of the institutional mechanisms by which CHP/DH would be implemented. While all the evidence indicated that CHP/DH needed to be implemented through an institutional structure which included local authorities, on only one occasion, in 1986, did the national party recognise that CHP/DH would have to be implemented in "liaison" with local authorities. But it was not clear precisely what the national party meant by the term "liaison". Presumably another organisation could implement CHP/DH and bypass local authority control over the scheme.

The local authority development of CHP/DH failed to become part of the 1987 manifesto commitment for energy policy or local government reform. The key issue was over local authority involvement in the development of CHP/DH. The Charter for Energy Efficiency set out a legislative basis for the formation of an Energy Efficiency Agency which would support the local authority-led development of CHP/DH. The aim of this initiative was to prepare the legislative basis of a new agency to implement energy efficiency as the national party lacked the resources to develop detailed proposals. But at national level the party only drew selectively on these proposals. The reformulated policy only saw a role for the EEA in terms of energy conservation. All reference to the agency's role in supporting local energy production were dropped. The party did support a role for local authorities in an enhanced

energy conservation programme but was not able to accept a municipal role in energy production.

National policy for CHP/DH was "fudged". It was not a coherent policy "set" as many of the key issues were ignored. While the local case studies provided an axis around which detailed alternative policy frameworks were developed the national party did not take these on board. The national party failed to tackle wider structural issues and it was easier to support conventional technology. Consequently when the party has adopted policies in support of CHP/DH it has draw selectively on local policy statements which outlined the formulation of new national policies. Nationally the party has not been able to adopt a clear policy that would give local authorities a new role in energy production. The study has shown that it is easier to develop new policy innovations locally but it is more difficult to get them accepted nationally. For instance when local authorities attempted to develop strategies for the implementation of CHP they investigated a wide range of different institutional structures including cooperatives and new forms of public-private partnership. The national party would not accept the joint venture approach because of the involvement of the private sector. Consequently the interesting situation developed of conflicting local and national party policies over the involvement of the private sector in CHP/DH. The national party did not seek to impose its view on the local party. In any case it would not have been possible for the national party to make local party units accept the national policy position (see chapter 1). But at the same time the national party would not accept policies in support of local authority owned and controlled CHP/DH. It was even more surprising that after 1987 election local authorities did not expect a Labour government to provide all the necessary finance for local CHP and had accepted that they would need private finance to attract government support!.

Consequently the national party's response to various forms of localisation is complex and sometimes contradictory. Attempting to understand what actually constitutes national policy for CHP is also difficult. Local proposals for the municipal development of CHP in particular places appeared in a number of Labour Party policy documents but were ultimately excluded from the manifesto. It is difficult to generalise to other policy issue from a single case study. However the national party has found it extremely difficult to accept policy proposals for local involvement in production issues, policy commitments to spend resources on local government and proposals to implement policies in specific locations.

AREAS FOR FURTHER RESEARCH

This thesis has shown that an analysis of national Labour Party policy for CHP/DH requires an understanding of how local demands impact upon the national policy development process. The thesis has attempted to construct a broader theoretical framework for analysing the impact of local party units on national party development. This framework indicates that future research needs to: consider why localities develop policies with important national implications, investigate the nature of the interface between the local and national party, and examine how the national party selects from and reformulates local demands. Further research could be pursued in a number of ways. First, it would be possible to select other policy issues linking the local and national party, such as cable technology or light rapid transit and examine the degree of localisation. Second, given the problems with the centralisation thesis of party structure it would be interesting to examine the extent of the linkages between local and national party in other periods. Third, the relations between particular localities and the national party over a whole range of issues could be explored. Finally the study has shown that research on national party policy formulation should at least attempt to include a local dimension that assesses the degree of local inputs into national policy development.

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APPENDIX 1 INTERVIEWS

Rosalind Armson, Open University, January 1987.

Jane Ashely, Labour Party Research Department, April 1988.

Frankie Ashton, SERA, July 1988.

Mr Gerry Atkins, CHPA, May 1988.

Adrian Atkinson, Former GLC Energy Worker, Greater London Council, November 1987.

Mr J Bailey, Asst. Director of Housing, Dept. of Housing, Sheffield City Council, July 1987.

David Baillie, formerly TUSIU, February 1988.

Cllr. Roger Barton, Sheffield City Council, July 1987.

Godfrey Bevan, DEn, January 1988.

Mr B Callaghan, Secretary Economic Development TUC Fuel and Power Industries Committee, April 1988.

Alexi Clarke, formerly employed in LEEN, March 1988.

Mr Croft Department of Mechanical and Production Engineering, Sheffield City Polytechnic, July 1987.

Cllr. Tony Dams, Housing, Sheffield City Council, July 1987.

Dr. Denman Department of Mechanical and Production Engineering, Sheffield City Polytechnic, July 1987.

Dave Elliott, Open University, January 1987.

Mr L N Elton, Director of Policy Services, Newcastle City Council, February 1988.

Kingsley Fossu, Principal Economist, Dept. Employment and Economic Development, Sheffield City Council, July 1987.

Stephen Fothergill, Energy Advisor to Stan Orme, July 1988.

Cllr. Gill Gateshead MBC, February 1988.

Mr L Grainger, CHPA, May 1988.

Cllr. Grahame Geddes, London Borough of Southwark, November 1987.

David Green, Energy Adviser, Newcastle City Council, February 1988.

John Hall, Chair NCHPLG 1985, March 1988.

Mr Hambidge, Chief Executive, Sheffield Chamber of Commerce July 1987.

Dr A Hart, former GLC Chair of JAC for CHP, Greater London Council, November 1987.

Simon Hodgkinson, ERR, July 1988.

Mr Howarth, Dept. Design and Building and Services, Sheffield City Council, July 1987.

Mr D Hutchinson, former Head of Environmental Policy, Greater London Council, November 1987.

Tom Jeffrey, Planning Department, London Borough of Southwark, November 1987.

David Lawrence, Energy and Programme Controller, Sheffield City Council, July 1987.

Cllr. A Lilly, Tower Hamlets, November 1987.

John Macadam, Orchard Partners, November 1987

Lyn Mapley, Asst. Energy Programmer and Controller, Sheffield City Council, July 1987.

Mr J March, Economic Development Unit, Newcastle City Council, February 1988.

John Mc Carthy, Southwark Group of Tenants Associations, London Borough of Southwark, November 1987.

Cllr. Alf Meade, Chair of Energy Panel, Sheffield City Council, July 1987.

Mr R Mitchell, Assistant City Engineer, Newcastle City Council, February 1988.

Cllr. Moore, Sheffield City Council, July 1987.

Mr Mullooly, Liason Officer on CHP, London Borough of Southwark, November 1987.

John O'Brien, Former Director of Housing, London Borough of Southwark, November 1987.

Susie Parsons, Development Manager, London Energy Efficiency Network, December 1987.

Linda Pickering, The Charter for Energy Efficiency, February 1988.

Wolfgang Rudig, Edinburgh University, January 1988.

Stewart Russell, Aston University, TPU, January 1988.

Cllr. Les Russell, Newcastle City Council, February 1988.

Peta Sissons, Strategy Officer, London Strategic Policy Unit, December 1987.

Mr I Smart, former Acting Divisional Engineer Department of Mechanical and Electrical Engineering, Greater London Council, November 1987.

Adrian Smith, CHP Project Manager, Newcastle City Council, February 1988.

Drew Stevenson, Strategy Officer, London Strategic Policy Unit, December 1987.

Ken Ternent, Energy Researcher, Trade Union Studies Information Unit, February 1988.

Bob Thorpe, Energy Researcher, Trade Union Studies Information Unit, February 1988.

Simon Turney, former GLC Councillor, Greater London Council, November 1987.

Mr Wade, Head of Technical Services, London Borough of Southwark, November 1987.

Hilary Wainwright, former member of Popular Planning Unit, Greater London Council, November 1987.

APPENDIX 2 SOURCES

Libraries

Greater London Record Office

London Research Library London Research Centre

Newcastle Civic Library

Newcastle Polytechnic Library

Newcastle University Library

Sheffield City Libraires

- Local Studies Section
- Local Government Information Service

Sheffield City Polytechnic Library

Sheffield University Library

Personal Archives

David Baillie

Dave Elliott

Graeme Geddes

Tony Hart

Dave Hutchinson

Files

JAC for CHP files held in Southwark.

Keeping Newcastle Warm energy files.

Labour Party Energy Sub-Committee and Environment Study Group files 1976-83 (held by Dave Elliott).

Newcastle City Council Planning Department CHP/DH files.

Sheffield Energy Controllers Office CHP/DH files 1980-87.

TUSIU energy files.

Newspapers

Evening Standard

Morning Telegraph

Newcastle Evening Chronicle

Newcastle Journal

Sheffield Star

APPENDIX 3 LOCAL AUTHORITY INVOLVEMENT IN CHP/DH

INTRODUCTION

This appendix outlines the involvement of local authorities with CHP/DH as an aid to the selection process. Local authority involvement is examined in three different periods concluding with a discussion and an outline of the options for further case selection.

BACKGROUND AND MARSHALL REPORT: 1970-1980

The background to local authority interest in CHP/DH between 1970-80 was provided by the publication of Energy Paper 20, expectation of the Marshall Reports publication and its recommendation for a lead city CHP/DH scheme. Within this context each locality had specific reasons for its interest in the technology. Local authorities were involved before 1970 but these are outside the scope of this study.

Local Authority: Interest in CHP/DH

- | | |
|-----------|--|
| GLC | <ul style="list-style-type: none">- strategic interest in energy consumption & production issues in the S.E.- consultation on Energy Papers 20/34/35- senior technical officers interest in CHP/DH- Bankside CHP/DH scheme the pipes were laid then abandoned |
| Newcastle | <ul style="list-style-type: none">- regional concentration of energy industries- CHP/DH part of NE trade unions alternative plan- local authority promotion CHP/DH |
| Sheffield | <ul style="list-style-type: none">- 1979 SERA conference attended by local trade unionists- local Labour MP interested in energy issues, including CHP/DH |
| Doncaster | <ul style="list-style-type: none">- extensive coalfired DH schemes- power station sites |
| Southwark | <ul style="list-style-type: none">- extensive DH schemes- power station sites- Private consultants responsible for initiating interest in Marshall report- Technical officers interested in CHP/DH |

- Wakefield
 - DH schemes
 - power station site
 - officer interest in Marshall report

- Edinburgh
 - unfavourable evaluation of CHP/DH conversion at Cockenzie power station led by SSEB

- Birmingham
 - area board assessed CHP/DH scheme abandoned with closure of industries providing the heat load

None of these authorities were able to commit substantial time and resources to CHP/DH. Their main role was consultation and comment on ESI proposals and the Marshall report. However, authorities aware of the possibilities offered by Marshalls recommendations, for instance Southwark and Newcastle, approached both the old Labour and new Conservative governments in 1979, before the reports publication, highlighting their localities suitability for implementing CHP/DH. These authorities prepared for a rapid response to any opportunities presented by subsequent Government action. During this period, Newcastle, Southwark, Sheffield, Doncaster and Wakefield were under Labour control. The other authorities were all Conservative controlled.

ATKINS PROPOSALS: 1980-86

In 1980 the Government responded to the Marshall report by initiating the Atkins programme and local authorities were invited to consider their inclusion in the study. This resulted in the main phase of local authority involvement in CHP/DH. However reviewing local authorities response to this invitation is problematic. The DEN had very little experience of dealing with local authorities resulting in confusion over who to invite and what criterion to use for shortlisting. It would have been sensible to invite those local authorities with suitable CHP/DH heat loads listed in Energy paper 34. However the invitation to consider participation was distributed through the DOE, AMA and GLC and it was not clear just who had been invited to participate and on what basis. The criterion for selecting local authorities for shortlisting were equally as vague and ill-defined. The invitation mentioned three criteria, a compact population of at least 300,000, a power station site and strong local authority support for the implementation of CHP/DH. But authorities with less than 300,000 pop were invited to participate! Consequently there is confusion surrounding the degree of local authority involvement in this period. However local authorities response to the invitation broadly divide into three categories:

*A. Responding favourably and shortlisted in 1981**B. Authorities contacted/favourable/discussed issue but not shortlisted**C. Authorities contacted but did not respond or declined to participate*

a fourth category is included:

D. Authorities not contacted, but listed in Energy Paper 34 as possible sites for CHP/DH on the basis of heatload.

The local authorities in each of these categories is listed, with political control 1980-87 (where this information is available), and discussed below.

A. Responding favourably and shortlisted in 1981

Local Authority	1979	1980	1981	1982	1983	1984	1985	1986	1987
Strathclyde RC	L	L	L	L	L	L	L	L	
Glasgow		LG	L	L	L	L	L	L	L
Tyne and Wear CC	L	L	L	L	L	L	L		
Newcastle/Tyne	L	L	L	L	L	L	L	L	
Gateshead +	L	L	L	L	L	L	L	L	
Sheffield		L	L	L	L	L	L	L	L
South Yorkshire CC+	L	L	L	L	L	L	L		
Southwark	L	L	L	L	L	L	L	L	
Tower Hamlets	L	L	L	L	L	L	N	N	
GLC		C	LG	L	L	L	L	L	
Liverpool		LN	LN	LN	LG	L	L	L	L
Merseyside +	N	LG	L	L	L	L	L		
Manchester *	L	L	L	L	L	L	L	L	
Greater Manchester +	N	LG	L	L	L	L	L		
Leicester *	L	L	L	L	L	L	L	L	
Edinburgh		N	N	N	N	LG	L	L	L
Lothian RC *	L	L	N	N	N	N	L	L	
Belfast	NOT LABOUR CONTROLLED								

Note

- total of 18 local authorities
- overwhelmingly Labour controlled
- Metropolitan counties and GLC abolished 1986

Key

L - Labour controlled
 LG - Labour Gain
 C - Conservative controlled
 N - no overall control

+ - persuaded to join by neighbouring local authority
 * - selected at a later stage

Group A is the most important group of local authorities involved in CHP/DH. These authorities have made the most significant commitment to CHP/DH and are overwhelmingly Labour controlled cities. Most authorities regarded the Government invitation as a non-controversial issue and officer recommendations were endorsed by committee and council. Over half dealt with the issue through a general policy committee and the remainder through technical departments. Administrative arrangements varied widely and included councillors/officers/departments usually reporting to a policy committee. Individual officers and councillors took a strong interest in the issue. The reasons for their positive response included:

- heating problems and condition of housing
- reduced fuel costs
- local employment opportunities
- energy conservation
- existence DH schemes

B. Local Authorities contacted/favourable/discussed issue but not shortlisted

Local Authority	1979	1980	1981	1982	1983	1984	1985	1986	1987
Croydon *		C	C	C	C	C	C	C	C
Westminster *	C	C	C	C	C	C	C	C	
Hampshire CC +		C	C	C	C	C	C	C	C
Portsmouth +	C	C	C	C	C	C	C	C	
Camden +		L	L	L	L	L	L	L	L
Southampton =	C	C	C	C	LG	L	L	L	
Barking =		L	L	L	L	L	L	L	L
South Glamorgan CC = LG		L	L	L	L	L	L		
Milton Keynes =	DEVELOPMENT CORPORATION								
Wakefield =	L	L	L	L	L	L	L	L	
Rochdale =		LG	N	N	N	N	N	N	

Note

- total 10 local authorities and 1 development corporation
- mainly Conservative controlled

Key

- * - authorities contacted, responded favourably but later withdrew
- + - authorities involved in discussions about inclusion but not selected
- = - authorities which responded favourably but not selected

Croydon and Westminster withdrew due to uncertainties about the Governments' commitment to the programme. The remaining authorities were excluded because they were considered technically unsuitable. Wakefield and Westminster kept a watching brief on the programme. It is difficult to make any meaningful generalisations about this group in terms of political control. They are mainly Conservative controlled and both the authorities which withdrew from the study were Conservative controlled.

C. Local Authorities contacted but declined to participate or did not respond.

Local Authority	1979	1980	1981	1982	1983	1984	1985	1986	1987
Barnet	C	C	C	C	C	C	C	C	
Bexley	C	C	C	C	C	C	C	C	
Brent	L	L	L	L	L	L	L	L	
Bromley		C	C	C	C	C	C	C	C
Ealing	L	L	L	L	L	L	L	L	
Enfield	C	C	C	C	C	C	C	C	
Greenwich		L	L	L	L	L	L	L	L
Hackney		L	L	L	L	L	L	L	L
Hammersmith/Fulham	N	N	N	N	N	N	L	L	L
Haringey		L	L	L	L	L	L	L	L
Harrow	C	C	C	C	C	C	C	C	
Havering		C	C	C	C	C	C	C	C
Hillingdon	C	C	C	C	C	C	N	N	
Hounslow		L	L	L	L	L	L	L	L
Islington		L	L	L	L	L	L	L	L
Kensington/Chelsea	C	C	C	C	C	C	C	C	
Kingston/Thames	C	C	C	C	C	C	N	N	
Lambeth		L	L	L	N			L	L
Lewisham		L	L	L	L	L	L	L	L
Merton	C	C	C	C	C	C	C	C	
Newham		L	L	L	L	L	L	L	L
Redbridge		C	C	C	C	C	C	C	C

Richmond		C	C	N	A	A	A	A	A
Sutton	C	C	C	C	C	C	N	N	
Waltham Forrest	L	L	N				L	L	
Wandsworth	C	C	C	C	C	C	C	C	
City of London									
Birmingham	LG	L	C	C	LG	L	L	L	
Coventry		L	L	L	L	L	L	L	L
Dudley	C	C	C	C	C	C	C	C	
Sandwell		L	L	L	L	L	L	L	L
Solihull	C	C	C	C	C	C	C	C	
Walsall	LG	L	N	N	N	N	N	N	
Wolverhampton	LG	L	L	L	L	L	L	N	
Bolton	LG	L	L	L	L	L	L	L	
Bury		C	C	C	C	C	C	L	L
Oldham	LG	L	L	L	L	L	L	L	
Salford	L	L	L	L	L	L	L	L	
Stockport		C	C	C	N	N	N	N	N
Tameside		L	L	L	L	L	L	L	L
Trafford	C	C	C	C	C	C	N	N	
Wigan	L	L	L	L	L	L	L	L	
North Tyneside	L	L	L	L	L	L	L	L	
South Tyneside	L	L	L	L	L	L	L	L	
Sunderland	L	L	L	L	L	L	L	L	
Knowsley		L	L	L	L	L	L	L	L
St Helens		L	L	L	L	L	L	L	L
Sefton	C	C	C	C	C	C	N	N	
Wirral	C	C	C	C	C	C	N	N	
Barnsley		L	L	L	L	L	L	L	L
Doncaster		L	L	L	L	L	L	L	L
Rotherham		L	L	L	L	L	L	L	L
Bradford		LG	L	N	N	N	N	L	L
Calderdale	N	N	N	N	N	N	N	N	
Kirklees	LG	L	L	L	L	L	N	N	
Leeds	LG	L	L	L	L	L	L	L	
Bristol	L	L	L	N	N	N	L	L	

Note

- total of 57 local authorities
- an approximate 50/50 split of Labour/Conservative control

This group of authorities viewed the issue as politically neutral, few considered CHP/DH as a policy issue and it was not often raised at a member level. Possible reasons for Labour local authorities non-involvement is discussed in final section. In general the DEN's invitation was referred to technical officers who felt they had sufficient expertise to judge the suitability of CHP/DH. They often rejected the invitation on technical grounds - heat load and power station siting. These issues should have been left open and in this sense the nature of the invitation was misjudged. Other grounds for rejection included, unfavourable experience of DH, lack of DH, cost and absence of a proven scheme. The GLC encouraged London Boroughs to respond, as a number felt they were excluded by the 300,000 population criteria, through a joint approach. North and South Tyneside were persuaded by Tyne and Wear CC to participate further but were later excluded.

D. Local Authorities not contacted but listed in Energy Paper 34 as possible sites for CHP/DH on the basis of heatload.

Local Authority	1979	1980	1981	1982	1983	1984	1985	1986	1987
Aberdeen		LG	L	L	L	L	L	L	L
Brighton						N	N	N	N
Blackpool		C	C	C	C	C	C	N	N
Bournemouth	C	C	C	C	C	C	C	C	
Cardiff	L	L	L	CG	C	C	C	C	
Cleveland CC		LG	L	L	L	L	L	L	
Derby		L	L	L	L	L	L	L	
Dundee	L	L	L	L	L	L	L	L	
Gillingham	C	C	C	C	C	C	C	C	
Kingston/Hull			L	L	L	L	L	L	
Luton						C	C	C	
Middlesborough	L	L	L	L	L	L	L	L	
Nottingham	L	L	L	L	L	L	L	C	
Plymouth		C	C	C	C	C	C	C	C
Renfrew		L	L	L	L	L	L	L	L
Stoke/Trent	L	L	L	L	L	L	L	L	
Stockton/Tees							L	L	
Swansea		L	L	L	L	L	L	L	L

Note

- total of 18 local authorities
- complete information on political control not available

Few authorities had considered or seen the findings of Energy Paper 34 and only one had discussions with the DEn on the issue. Most claimed to be aware of the Atkins programme but none took any action. Generalisations about political control are not really possible due to incomplete information and the small number of authorities although there is a rough 50/50 split Labour/Conservative.

PRIVATISATION AND CHP/DH: 1986-88

There is a resurgence of interest in CHP/DH based on the Atkins programme but in the new context of the perceived opportunities offered by electricity privatisation. For instance Southwark and Tower Hamlets London Boroughs are considering a privately funded refuse burning CHP/DH scheme as an option for the disposal of waste. Newcastle is considering its possible role in a private area board combined-cycle gas fired CHP/DH scheme. The London Borough of Camden is looking at a range of different privately funded CHP/DH options. It is not clear to what extent local authorities will be involved in these proposals. The new private area boards could be given all the necessary powers to implement CHP/DH and the incorporation of local authority heat loads may lose its former importance as councils are forced to dispose of housing and property. Many issues remain unresolved but Labour controlled authorities are showing the most interest.

CONCLUSION

The main focus of the research project is those local authorities who have shown the most involvement and commitment to CHP/DH and attempted to develop an with the national Labour party. However it is useful to ask at this stage why a large number of Labour local authorities showed no interest in the technology before considering the basis of existing case selection.

While all the most active authorities are Labour controlled a substantial number of Labour authorities declined to participate in the programme (see Group C). Why these authorities did not take up the issue is not a research objective but it may be useful to address this issue now as part of the case study selection process.

Two sets of factors, the role of professional technical officers and the type of political control, have important implications for these authorities' negative response to the DEn's invitation. The DEn's invitation was referred from the Chief Executive to technical departments for technical

assessment. These officers misread the speculative and open ended nature of the invitation and felt they had insufficient professional and technical expertise to judge the feasibility and viability of the proposals. Their assessments were purely based on technical features of CHP/DH without any appreciation of the wider economic and social benefits of the technology. Officers operated in an environment in which they had a high degree of discretion to take decisions and low levels of consultation with members. These local authorities were unable to innovate or take an interventionist approach towards CHP/DH.

Group A lists the authorities most actively promoting CHP/DH. Three localities, Sheffield, London and Newcastle have been exemplary in their promotion of CHP/DH. The evidence indicates that they:

- involved in CHP/DH before 1980
- strong interest in technology
- policy commitment for development of CHP/DH
- involvement in Atkins programme
- committing resources including , staff time, finance, time and political pressure, towards the implementation of CHP/DH.
- continuation of development efforts in the absence of Government support
- developed linkages with the national party

This leaves 6 localities in group A which could have formed the basis of additional case studies. Each city is considered below.

BELFAST

Belfast was one of the three Government sponsored lead cities selected in 1985. The consortium has been unable to attract private sector finance to implement a scheme based on a new power station, the Government has refused to underwrite part of the risk and the scheme is now on hold. There are a number of specific reasons for not selecting Belfast as a case study:

- not a Labour controlled authority
- the City Council has very limited powers
- different administrative and political structure

EDINBURGH

Edinburgh was selected as a lead city and has been unable to attract private sector finance and implement a scheme due to the high risks attached to the scheme. Government has declined to

provide public finance to underwrite the most significant risks and the scheme is now on hold. Edinburgh would not provide an appropriate case study:

- a hung council until 1984 when it came under Labour control
- Lothian R.C. brought in at a later stage (after lobbying) and Labour lost control in 1982
- no evidence of major resource/political commitment to CHP/DH
- not clear if city council led on scheme as SSEB may have had a key role
- different administrative and Labour party structures
- scheme on hold

GLASGOW

Glasgow's interest in CHP/DH is difficult to assess. The Labour controlled city and regional councils responded favourably to the Government's invitation in 1980. Perhaps because of a number of extensive DH schemes and technical officers interest. However there is no evidence of the authority committing resources to the technology while waiting for central Government's response to the Atkins report. With the failure to gain selection as a lead city the scheme was abandoned. A preliminary assessment of Glasgow indicates it would not constitute an appropriate case study:

- lack commitment to CHP/DH
- abandoning of scheme
- different local government/party political structures

Comment on party structure in Scotland:

"The British political parties are organised separately in Scotland, and to some extent take on a character which is different from that of the parties as a whole." (Kellas 1973 *The Scottish Political System*).

MANCHESTER

Manchester City Council responded favourably to the Government's invitation but the city was not included in the Atkins shortlist but was later added to the list by Government (perhaps after lobbying). The city council persuaded the metropolitan county, which came under Labour control in 1981, to take part in the scheme. Manchester had a number of DH schemes and this may explain the authority's interest in CHP/DH, particularly from technical officers. The local authority did not use resources to conduct independent investigations of CHP/DH and after its failure to obtain lead city status attempts to implement the technology were abandoned.

Manchester would not provide a suitable case study:

- lack commitment to CHP/DH

- abandoning of scheme
- unable to find any details about 1984 bid
- impossible to contact officers responsible for CHP/DH

LIVERPOOL

Liverpool city council responded favourably to the DEN invitation, persuaded the metropolitan county to participate in the scheme and the area was shortlisted in 1981. However both councils did not come under Labour control until 1981, there is no evidence of local investigations of the technology and the scheme was abandoned in 1985 after failure to gain lead city selection. Given the absence of Labour control in the early stages and lack of commitment to CHP/DH the area would not provide an appropriate case study.

LEICESTER

Leicester responded favourably to the DEN's invitation but was not shortlisted by Atkins. Central Government subsequently added the city to the shortlist and selected as a lead city in 1985. A CHP/DH scheme has been developed and should begin construction at the end of 1988. Although the private sector is heavily involved in the consortium it has acknowledged the difficulties of implementing a scheme without the Labour controlled authority's support.

Reasons for not selecting Leicester:

- strong degree private sector involvement in consortium
- local authority does not have a lead role
- no attempt by local authority to link scheme to other issues
- little evidence of linkage with national party over the issue

The three case study authorities Sheffield, Newcastle and London for reasons outlined in Chapter 4 are the localities which have developed an interface with the national party over CHP/DH and attempted to localise national policy.

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